

## NINETY-SEVENTH DAY

St. Paul, Minnesota, Tuesday, April 2, 2024

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

**CALL OF THE SENATE**

Senator Murphy 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	Klein	McEwen	Rasmusson
Anderson	Farnsworth	Koran	Miller	Rest
Bahr	Fateh	Kreun	Mitchell	Seeberger
Boldon	Frentz	Kunesh	Mohamed	Utke
Carlson	Green	Kupec	Morrison	Weber
Champion	Gruenhagen	Lang	Murphy	Wesenberg
Coleman	Gustafson	Latz	Nelson	Westlin
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Westrom
Dahms	Hawj	Limmer	Pappas	Wiklund
Dibble	Hoffman	Lucero	Pha	Xiong
Dornink	Housley	Mann	Port	
Draheim	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	
Dziedzic	Johnson	Maye Quade	Rarick	

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 communications were received.

February 16, 2024

The Honorable Bobby Joe Champion  
President of the Senate

Dear Senator Champion:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

DESTINATION MEDICAL CENTER CORPORATION

R.T. Rybak, 80 S. 8th St., Minneapolis, in the county of Hennepin, effective February 21, 2024, for a term expiring on January 1, 2029.

Pamela Wheelock, 1843 Highland Pkwy., Saint Paul, in the county of Ramsey, effective February 21, 2024, for a term expiring on January 1, 2029.

(Referred to the Committee on Jobs and Economic Development.)

Sincerely,  
Tim Walz, Governor

March 15, 2024

The Honorable Bobby Joe Champion  
President of the Senate

Dear Senator Champion:

I respectfully submit the attached list of Notaries Public for 2023 to the Senate for confirmation as required by Article V, section 3, of the Minnesota Constitution and Minnesota Statutes 2023, section 359.01.

Sincerely,  
Tim Walz, Governor

Senator Murphy moved that the Notaries Public be laid on the table. The motion prevailed.

March 27, 2024

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 Acts of the 2024 Session of the State Legislature have been received from the Office of the Governor and are 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 2024	Date Filed 2024
	3987	79	4:01 p.m. March 21	March 21

97TH DAY]

TUESDAY, APRIL 2, 2024

12897

3646

80

4:04 p.m. March 21

March 21

4518

81

4:17 p.m. March 25

March 25

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 House Files, herewith transmitted: H.F. Nos. 3589, 3925, 4109, and 4457.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted March 25, 2024

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 3589:** A bill for an act relating to trusts; clarifying in rem jurisdiction for judicial proceedings; amending Minnesota Statutes 2022, sections 501C.0202; 501C.0204, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3579, now on General Orders.

**H.F. No. 3925:** A bill for an act relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds; amending Minnesota Statutes 2022, section 507.071; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3846, now on General Orders.

**H.F. No. 4109:** A bill for an act relating to judiciary; amending name of competency attainment board; amending Minnesota Statutes 2023 Supplement, sections 611.55, subdivision 1; 611.56, subdivisions 1, 6; 611.57, subdivisions 1, 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4201, now on General Orders.

**H.F. No. 4457:** A bill for an act relating to civil law; allowing the clients of civil legal services and volunteer attorneys to proceed without prepayment of fees, costs, and security for costs; amending Minnesota Statutes 2022, section 563.01, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4544, now on General Orders.

**REPORTS OF COMMITTEES**

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 4431, 1743, 3994, 3472, 4782, 4429, 4741, 3474, 3471, 3927, 3531, 3867, 3914, 3975, 4065, 4269, 4433, 4729, and 4837, and the report pertaining to appointments. The motion prevailed.

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

**H.F. No. 3868:** A bill for an act relating to commerce; adopting amendments to the Uniform Commercial Code to accommodate emerging technologies; amending Minnesota Statutes 2022, sections 336.1-201; 336.1-204; 336.1-301; 336.1-306; 336.2-102; 336.2-106; 336.2-201; 336.2-202; 336.2-203; 336.2-205; 336.2-209; 336.2A-102; 336.2A-103; 336.2A-107; 336.2A-201; 336.2A-202; 336.2A-203; 336.2A-205; 336.2A-208; 336.3-104; 336.3-105; 336.3-401; 336.3-604; 336.4A-103; 336.4A-201; 336.4A-202; 336.4A-203; 336.4A-207; 336.4A-208; 336.4A-210; 336.4A-211; 336.4A-305; 336.5-104; 336.5-116; 336.7-102; 336.7-106; 336.8-102; 336.8-103; 336.8-106; 336.8-110; 336.8-303; 336.9-102; 336.9-104; 336.9-105; 336.9-203; 336.9-204; 336.9-207; 336.9-208; 336.9-209; 336.9-210; 336.9-301; 336.9-304; 336.9-305; 336.9-310; 336.9-312; 336.9-313; 336.9-314; 336.9-316; 336.9-317; 336.9-323; 336.9-324; 336.9-330; 336.9-331; 336.9-332; 336.9-334; 336.9-341; 336.9-404; 336.9-406; 336.9-408; 336.9-509; 336.9-513; 336.9-605; 336.9-608; 336.9-611; 336.9-613; 336.9-614; 336.9-615; 336.9-616; 336.9-619; 336.9-620; 336.9-621; 336.9-624; 336.9-628; Minnesota Statutes 2023 Supplement, section 336.9-601; proposing coding for new law in Minnesota Statutes, chapter 336.

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. 606:** A bill for an act relating to public safety; requiring lost and stolen firearms to be reported promptly to law enforcement; proposing coding for new law in Minnesota Statutes, chapter 624.

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

Page 1, line 21, delete "2023" and insert "2024"

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

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

**S.F. No. 716:** A bill for an act relating to human services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; establishing the African American Child Welfare Council; modifying child welfare provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, section 260C.329, subdivisions 3, 8; proposing coding for new law in Minnesota Statutes, chapter 260.

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

Page 1, line 18, after "and" insert "their" and after "prevent" insert "the"

Page 2, lines 7, 9, 10, 15, 18, 19, 20, and 29, after "or" insert "a"

Page 2, line 11, delete everything after "family" and insert "in"

Page 2, line 16, delete "an" and insert "the"

Page 3, line 24, after "or" insert "a"

Page 3, line 26, before "disproportionately" insert "a"

Page 4, lines 8, 20, 22, and 28, after "or" insert "a"

Page 5, lines 17, 19, and 21, after "or" insert "a"

Page 5, line 28, delete the comma

Page 6, line 13, after "or" insert "a"

Page 6, lines 14 and 30, after the second "or" insert "a"

Page 7, line 1, delete the first, second, and third commas

Page 7, line 7, after "or" insert "a"

Page 7, line 16, after the first "or" insert "a"

Page 7, line 21, after "to" insert "provide"

Page 8, line 6, after "not" insert "to"

Page 8, line 7, before "disproportionately" insert "a"

Page 8, line 10, delete "of" and insert "for"

Page 8, line 13, after "or" insert "a"

Page 8, lines 14, 15, and 20, delete the comma

Page 8, line 19, after the first "or" insert "a"

Page 9, line 2, delete the second "the" and insert "an"

Page 9, lines 3, 12, and 31, after "or" insert "a"

Page 9, line 7, delete "and at" and insert ". At" and delete "during" and insert "after" and after "proceeding" insert a comma

Page 9, line 8, delete the first "to" and insert "the court must"

Page 9, line 17, after the second "or" insert "a"

Page 9, line 20, delete the comma

Page 9, line 23, after "when" insert "the"

Page 10, lines 7, 21, and 23, after "or" insert "a"

Page 10, line 18, delete the comma

Page 11, line 7, after "or" insert "a" and delete "who for good" and insert "if the parent"

Page 11, line 8, delete "cause" and after "terminate" insert "the parent's own" and delete "of the parent's child" and insert "for good cause"

Page 11, lines 11 and 27, after "or" insert "a"

Page 11, line 28, after the second "or" insert "a"

Page 12, lines 4, 9, and 15, after "or" insert "a"

Page 12, line 5, delete everything after "commissioner"

Page 12, line 6, delete everything before the first "and"

Page 12, line 29, delete everything before the second "the"

Page 12, line 30, delete everything after the period

Page 12, delete lines 31 and 32

Page 13, line 16, delete "a" and after "through" insert "a"

Page 14, delete section 9

Page 14, line 14, delete the comma

Page 17, line 28, delete the comma

Page 18, lines 10 and 32, delete the comma

Page 19, line 28, delete the comma and insert "to work"

Page 20, line 2, delete the comma

Page 20, line 6, delete "other" and insert "another"

Page 20, line 19, after "or" insert "a"

Page 22, line 1, delete everything after "shall"

Page 22, line 2, delete everything before "develop"

Page 22, line 4, after "The" insert "cultural competency" and after "training" insert "under this section"

Page 22, line 6, after "the" insert "cultural competency"

Page 22, line 22, delete everything after "commissioner"

Page 22, line 23, delete everything before "shall"

Page 22, line 27, delete everything after "shall"

Page 22, line 28, delete everything before "establish"

Page 22, line 29, delete the comma

Page 23, line 5, after "or" insert "a"

Page 23, line 20, delete everything after "Unit" and insert a period

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete "American Child Welfare Council;"

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 Latz from the Committee on Judiciary and Public Safety, to which was re-referred**

**S.F. No. 3492:** A bill for an act relating to housing; amending provisions relating to residential housing leases; amending landlord and tenant rights and obligations; amending residential tenant screening agency obligations; amending provisions relating to residential housing evictions; amending provisions relating to actions commenced by tenants; creating new rights and obligations for landlords and tenants; making clarifying, technical, and conforming changes to landlord and tenant provisions; amending Minnesota Statutes 2022, sections 504B.001, subdivisions 5, 11, 14, by adding subdivisions; 504B.101; 504B.111; 504B.115, subdivision 1; 504B.116; 504B.118; 504B.131; 504B.141; 504B.145; 504B.151, subdivision 1; 504B.161, subdivision 4, by adding subdivisions; 504B.173, subdivision 1; 504B.175, subdivision 1, by adding a subdivision; 504B.177; 504B.178, subdivisions 7, 10; 504B.181, by adding a subdivision; 504B.185, by adding a subdivision; 504B.195, subdivision 5, by adding a subdivision; 504B.204; 504B.205, subdivision 5; 504B.231; 504B.245; 504B.261; 504B.265, by adding a subdivision; 504B.271, subdivision 2; 504B.285, subdivision 2, by adding a subdivision; 504B.315; 504B.365, subdivision 5; 504B.385, subdivision 11; 504B.391; 504B.441; 504B.471; Minnesota Statutes 2023 Supplement, sections 504B.321, subdivision 5; 504B.331; 504B.335; 504B.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter

504B; repealing Minnesota Statutes 2022, sections 504B.173, subdivisions 2, 3, 4; 504B.175, subdivisions 2, 3, 4; 504B.195, subdivisions 2, 3, 4; 504B.285, subdivisions 3, 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 484.014, subdivision 3, is amended to read:

Subd. 3. **Mandatory expungement.** (a) ~~Except for clause (6),~~ The court shall, without motion by any party except for clauses (6) and (7), order expungement of an eviction case:

(1) commenced solely on the grounds provided in section 504B.285, subdivision 1, clause (1), if the court finds that the defendant occupied real property that was subject to contract for deed cancellation or mortgage foreclosure and:

(i) the time for contract cancellation or foreclosure redemption has expired and the defendant vacated the property prior to commencement of the eviction action; or

(ii) the defendant was a tenant during the contract cancellation or foreclosure redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b, or 1c, to vacate on a date prior to commencement of the eviction case;

(2) if the defendant prevailed on the merits;

(3) if the court dismissed the plaintiff's complaint for any reason;

(4) if the parties to the action have agreed to an expungement;

(5) three years after the eviction was ordered; ~~or~~

(6) upon motion of a defendant, if an eviction action has been filed in violation of section 504B.285, subdivision 1, paragraph (b); or

(7) upon motion of a defendant, if the case is settled and the defendant fulfills the terms of the settlement.

(b) If a tenant brings a motion for the expungement of an eviction, the court shall order the expungement of an eviction case that was commenced on the grounds of a violation of section 504B.171 or any other claim of breach regardless of when the original eviction was ordered, if the tenant could receive an automatic expungement under section 609A.055, or if the breach was based solely on the possession of marijuana or tetrahydrocannabinols.

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

Sec. 2. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13a. **Tenant association.** "Tenant association" means a group of tenants from two or more rental units that are owned or operated by the same landlord who form or maintain an



organization, whether incorporated or unincorporated, to improve housing conditions, amenities, community life, or the contractual position of the member tenants.

Sec. 3. Minnesota Statutes 2022, section 504B.001, is amended by adding a subdivision to read:

Subd. 13b. **Tenant organizer.** "Tenant organizer" means a tenant or another who assists residential tenants in establishing and operating a tenant association and is not an employee or representative of the current or prospective landlord, property owner, manager, or agent of the landlord.

Sec. 4. Minnesota Statutes 2022, section 504B.113, subdivision 3, is amended to read:

Subd. 3. **Additional fees or deposits prohibited; disclosure required.** (a) A landlord must not require a tenant with a reasonable accommodation under this section to pay an additional fee, charge, or deposit for the service or support animal. A tenant is liable to the landlord for any damage to the premises caused by the service or support animal.

(b) If a landlord requires an additional fee, charge, or deposit pursuant to a pet policy, the landlord must disclose in the lease the prohibition on additional fees, charges, or deposits for service or support animals under this section.

(c) A tenant may bring an action to recover any fees, charges, or deposits paid to a landlord pursuant to a pet policy if:

(1) the landlord fails to provide the disclosure required in paragraph (b); and

(2) the tenant demonstrates that the tenant would have requested a reasonable accommodation and would likely have received a reasonable accommodation had the landlord provided the disclosure under paragraph (b).

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to leases entered into on or after that date.

Sec. 5. **[504B.117] INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER.**

A landlord must provide on a rental application the option for a prospective tenant to submit an individual taxpayer identification number or a Social Security number as follows:

"SSN or ITIN: ..... "

A landlord must not deny a rental application solely because the prospective tenant provided an individual taxpayer identification number. Nothing in this section prevents a landlord from denying an application if the consumer credit report attached to an individual taxpayer identification number is insufficient.

Sec. 6. Minnesota Statutes 2023 Supplement, section 504B.144, is amended to read:

**504B.144 EARLY RENEWAL OF LEASE.**

A landlord ~~must wait until~~ may not require a tenant to renew a lease sooner than six months from the expiration of the current lease before requiring a tenant to renew the lease, if the lease is

for a period of time longer than ten months. Nothing prevents a landlord from waiting until closer to the expiration of a lease to ask a tenant to renew the lease. Any provision, whether oral or written, of any lease or other agreement whereby any provision of this section is waived by a tenant is contrary to public policy and void.

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

Sec. 7. **[504B.153] NEW CONSTRUCTION DELAYS; TENANT REMEDIES.**

**Subdivision 1. Definition; new construction.** For purposes of this section, "new construction" means a new building, rehabilitation, modification, reconstruction, any physical changes altering the use or occupancy of the dwelling units, or an addition to a building.

**Subd. 2. Requirements if landlord cannot deliver occupancy.** (a) If a landlord is informed by a builder or otherwise knows that a new construction for rental occupancy will not be available for occupancy by the move-in date established in the lease agreement, the landlord must, within seven days and prior to the move-in date, notify every tenant affected and offer the following choices to the tenant to be accepted at the tenant's option:

(1) alternative housing provided by the landlord that is reasonably equivalent in size, amenities, and location to the unit described in the lease agreement, unless otherwise agreed upon by the tenant, until the unit may be lawfully inhabited;

(2) payment from the landlord to the tenant, equivalent to the cost of rent established in the lease agreement, to mitigate the costs of alternative housing secured by the tenant until the unit described in the lease agreement may be lawfully inhabited; or

(3) termination of the lease agreement and a return to the tenant of all amounts paid to the landlord, including any rent, deposit, and other payments incurred in entering the lease agreement.

(b) If a tenant exercises options under paragraph (a), clause (1) or (2), the landlord must provide the tenant with reimbursements related to security deposits, application fees, parking fees, pet fees, and any other fees reasonably associated with securing alternative housing.

(c) Tenants exercising options under paragraph (a), clause (1) or (2), may terminate their lease agreement under paragraph (a), clause (3), if the new construction for rental occupancy is not available for tenant occupancy within 90 days of the move-in date established in the lease agreement.

**Subd. 3. Waiver.** Any provision, whether oral or written, of any lease or other agreement, whereby any provision of this section is waived by a tenant, is contrary to public policy and void.

**Subd. 4. Remedies.** (a) A violation by the landlord of subdivision 2 is a violation of section 504B.375. A tenant aggrieved by a violation by the landlord of subdivision 2 may elect the following remedy:

(1) recovery under section 504B.231; or

(2) recover the greater of one month's rent, \$1,000, or actual damages, plus reasonable attorney fees and court costs.

(b) The remedies available under this section are in addition to any other remedies available at equity or law.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all leases entered into on or after that date.

Sec. 8. Minnesota Statutes 2022, section 504B.177, is amended to read:

**504B.177 LATE FEES.**

(a) A landlord of a residential building may not charge a late fee if the rent is paid after the due date, unless the tenant and landlord have agreed in writing that a late fee may be imposed. The agreement must specify when the late fee will be imposed. In no case may the late fee exceed eight percent of the overdue rent payment. Any late fee charged or collected is not considered to be either interest or liquidated damages. For purposes of this paragraph, the "due date" does not include a date, earlier than the date contained in the written or oral lease by which, if the rent is paid, the tenant earns a discount.

(b) Notwithstanding paragraph (a), if a federal statute, regulation, or handbook permitting late fees for a tenancy subsidized under a federal program conflicts with paragraph (a), then the landlord may publish and implement a late payment fee schedule that complies with the federal statute, regulation, or handbook.

(c) A late fee charged by a landlord who has entered into a housing assistance payments contract with the federal, state, or local government must be calculated and assessed only on the portion of rent payable by the tenant. For the purposes of this paragraph, "housing assistance payments contract" means programs described in United States Code, title 42, sections 1437f and 1485, as well as other programs under which the landlord contracts to receive rent from the tenant and payment from the government.

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

Sec. 9. Minnesota Statutes 2022, section 504B.205, subdivision 2, is amended to read:

Subd. 2. **Emergency calls permitted.** (a) A landlord may not:

(1) bar or limit a residential tenant's right to call for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises;  
or

(2) impose a penalty on a residential tenant for calling for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises.

(b) A residential tenant may not waive and a landlord may not require the residential tenant to waive the residential tenant's right to call for police or emergency assistance.

Sec. 10. Minnesota Statutes 2022, section 504B.205, subdivision 3, is amended to read:

Subd. 3. **Local preemption.** This section preempts any inconsistent local ordinance or rule including, without limitation, any ordinance or rule that:

(1) requires an eviction after a specified number of calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises; or

(2) provides that calls by a residential tenant for police or emergency assistance in response to domestic abuse or any other conduct, including but not limited to mental health or health crises, may be used to penalize or charge a fee to a landlord.

This subdivision shall not otherwise preempt any local ordinance or rule that penalizes a landlord for, or requires a landlord to abate, conduct on the premises that constitutes a nuisance or other disorderly conduct as defined by local ordinance or rule.

Sec. 11. Minnesota Statutes 2022, section 504B.206, subdivision 1, is amended to read:

Subdivision 1. **Right to terminate; procedure.** (a) A tenant to a residential lease may terminate a lease agreement in the manner provided in this section without penalty or liability, if the tenant or another authorized occupant fears imminent violence after being subjected to:

(1) domestic abuse, as that term is defined under section 518B.01, subdivision 2;

(2) criminal sexual conduct under sections 609.342 to 609.3451;

(3) sexual extortion under section 609.3458; or

(4) harassment under section 609.749.

(b) The tenant must provide signed and dated advance written notice to the landlord:

(1) stating the tenant fears imminent violence from a person as indicated in a qualifying document against the tenant or an authorized occupant if the tenant or authorized occupant remains in the leased premises;

(2) stating that the tenant needs to terminate the tenancy;

(3) providing the date by on which the tenant will vacate lease will terminate; and

(4) providing written instructions for the disposition of any remaining personal property in accordance with section 504B.271.

(c) The written notice must be delivered before the termination of the tenancy by mail, ~~fax, or~~ in person, or by a form of written communication the plaintiff regularly uses to communicate with the landlord, and be accompanied by a qualifying document. The tenancy terminates for the tenant who exercises the right granted under this subdivision, including the right of possession of the premises, on the date provided in the notice required under paragraph (b). Vacation of the premises under this section by the tenant prior to the date provided in the notice does not constitute termination of the tenancy for the purposes of this section.

(d) The landlord may request that the tenant disclose the name of the perpetrator and, if a request is made, inform the tenant that the landlord seeks disclosure to protect other tenants in the building. The tenant may decline to provide the name of the perpetrator for safety reasons. Disclosure shall not be a precondition of terminating the lease.

~~(e) The tenancy terminates, including the right of possession of the premises, as provided in subdivision 3.~~

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

Sec. 12. Minnesota Statutes 2022, section 504B.206, subdivision 2, is amended to read:

Subd. 2. **Treatment of information.** (a) A landlord must not disclose:

(1) any information provided to the landlord by a tenant in the written notice required under subdivision 1, paragraph (b);

(2) any information contained in the qualifying document;

(3) the address or location to which the tenant has relocated; or

(4) the status of the tenant as a victim of violence.

(b) The information referenced in paragraph (a) must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

(c) A landlord who violates this section is liable to the tenant for statutory damages of \$2,000, plus reasonable attorney fees and costs.

Sec. 13. Minnesota Statutes 2022, section 504B.206, subdivision 3, is amended to read:

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant and is terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates. The tenant ~~forfeits~~ relinquishes all claims for the return of the security deposit under section 504B.178 and is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. In a sole tenancy, the tenancy terminates on the date specified in the notice provided to the landlord as required under subdivision 1.

(b) In a tenancy with multiple tenants, one of whom is terminating the lease under subdivision 1, any lease governing all remaining tenants is terminated at the later of the end of the month or the end of the rent interval in which one tenant terminates the lease under subdivision 1. All tenants are responsible for the rent payment for the full month in which the tenancy terminates. Upon termination, all tenants ~~forfeit~~ relinquish all claims for the return of the security deposit under section 504B.178 and are relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section. Any tenant whose tenancy was terminated under this paragraph may reapply to enter into a new lease with the landlord.

(c) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

(d) Except as provided in section 504B.285, subdivision 1, paragraph (b), a landlord may not commence an eviction action against a tenant who has terminated a lease as provided in this section.

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

Sec. 14. Minnesota Statutes 2022, section 504B.206, subdivision 6, is amended to read:

Subd. 6. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "court official" means a judge, referee, court administrator, prosecutor, probation officer, or victim's advocate, whether employed by or under contract with the court, who is authorized to act on behalf of the court;

(2) "qualified third party" means a person, acting in an official capacity, who has ~~had in-person contact with~~ provided professional services to the tenant and is:

(i) a licensed health care professional operating within the scope of the license;

(ii) a domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l); or

(iii) a sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k);

(3) "qualifying document" means:

(i) a valid order for protection issued under chapter 518B;

(ii) a no contact order currently in effect, issued under section 629.75 or chapter 609;

(iii) a writing produced and signed by a court official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known;

(iv) a writing produced and signed by a city, county, state, or tribal law enforcement official, acting in an official capacity, documenting that the tenant or authorized occupant is a victim of domestic abuse, as that term is defined under section 518B.01, subdivision 2, criminal sexual conduct under sections 609.342 to 609.3451, sexual extortion under section 609.3458, or harassment under section 609.749, and naming the perpetrator, if known; or

(v) a statement by a qualified third party, in the following form:

STATEMENT BY QUALIFIED THIRD PARTY

I, ..... (name of qualified third party), do hereby verify as follows:

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in section 595.02, subdivision 1, paragraph (k), who has ~~had in-person contact with~~ provided professional services to ..... (name of victim(s)).

2. I have a reasonable basis to believe ..... (name of victim(s)) is a victim/are victims of domestic abuse, criminal sexual conduct, sexual extortion, or harassment and fear(s) imminent violence against the individual or authorized occupant if the individual remains (the individuals remain) in the leased premises.

3. I understand that the person(s) listed above may use this document as a basis for gaining a release from the lease.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone)

(Date)

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

Sec. 15. **[504B.212] TENANT RIGHT TO ORGANIZE; TENANT ASSOCIATIONS.**

Subdivision 1. Tenant's right to organize. (a) Residential tenants of a residential building have the right to establish and operate a tenant association for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy as well as activities related to housing and community development. Owners of residential rental units and their agents must allow residential tenants and tenant organizers to conduct activities related to the establishment or organization of a residential tenant organization, including:

(1) distributing information or leaflets in the common areas of the residential building, including bulletin or community boards;

(2) distributing information or leaflets to individual units in a residential building;

(3) initiating contact with tenants through mail, telephone, or electronically;

(4) initiating contact with tenant units to offer information on tenant organizations or survey tenants on interest in tenant associations;

(5) assisting tenants in participating in tenant association activities; and

(6) convening tenant association meetings in a space at the residential building.

(b) A tenant association using the rights provided in this chapter must adopt bylaws or an operating agreement related to the internal governance of the tenant association.

(c) A tenant association must be completely independent of owners, management, and their representatives. To preserve the independence of the tenant association, management representatives from the owner of a residential tenant building may not attend meetings unless invited by the tenant association to specific meetings to discuss a specific issue.

(d) A tenant organizer who is not a residential tenant of the landlord must be accompanied in the residential building by a tenant who resides in the building.

(e) No landlord shall prohibit or adopt any rule prohibiting residential tenants or nonresident tenant organizers from peacefully organizing, assembling, canvassing, leafleting, or otherwise exercising within the building their right of free expression for tenant organization purposes. A landlord may not require tenants and tenant organizers to obtain prior permission to engage in protected activities. A landlord may not adopt and enforce rules that set unreasonable limits as to time, place, and manner of the meetings or communication with tenants in the building.

Subd. 2. **Retaliation prohibited.** (a) A landlord may not increase rent, decrease services, alter an existing rental agreement, file a legal action against a tenant, contact federal or state law enforcement related to a tenant's immigration status, or seek to recover possession or threaten any such action in whole or in part in retaliation after a tenant:

(1) reports a code violation to a government agency, elected official, or other government official responsible for the enforcement of a building, housing, health, or safety code;

(2) reports a building, housing, health, or safety code violation, or a violation of this chapter, to a community organization or the news media;

(3) seeks the assistance of a community organization or others, including but not limited to a media or news organization, for assistance with a code violation or a violation of this chapter;

(4) makes a request that the landlord of a residential building make repairs to the premises as required by this chapter, or remedy a building or health code or other regulation, or uphold portions of the residential rental agreement;

(5) joins or attempts to join a tenant association or similar organization; or

(6) testifies in any court or administrative proceeding concerning the condition of the premises or exercises any right or remedy provided by law.

(b) In any proceeding in which retaliation is alleged, the burden of proof shall be on the landlord, if the landlord's alleged retaliatory action was within 90 days of the tenant engaging in any of the activities identified in this subdivision. If the challenged action began more than 90 days after the resident engaged in the protected activity, the tenant claiming the landlord is retaliating has the burden of proof.

Subd. 3. **Penalties.** If a landlord, an agent, or other person acting under the landlord's direction or control unlawfully and in bad faith violates this section, the tenant may recover from the landlord up to \$1,000 per occurrence and reasonable attorney fees.



Sec. 16. Minnesota Statutes 2023 Supplement, section 504B.268, subdivision 1, is amended to read:

Subdivision 1. **Right to counsel.** A defendant in ~~public~~ housing subsidized by the United States Department of Housing and Urban Development under Section 9 of the United States Housing Act of 1937 or the Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55, 125 Stat. 673, subject to an eviction action under sections 504B.281 to 504B.371 alleging breach of lease under section 504B.171 or 504B.285 who is financially unable to obtain counsel has the right to counsel appointed by the court. The complaint required by section 504B.321 shall include the notice on the first page of the complaint in bold 12-point type: "If financially unable to obtain counsel, the defendant has the right to a court-appointed attorney." At the initial hearing, the court shall ask the defendant if the defendant wants court-appointed counsel and shall explain what such appointed counsel can accomplish for the defendant.

Sec. 17. Minnesota Statutes 2022, section 504B.285, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) The person entitled to the premises may recover possession by eviction when:

(1) any person holds over real property:

(i) after a sale of the property on an execution or judgment;

(ii) after the expiration of the time for redemption on foreclosure of a mortgage, or after termination of contract to convey the property; or

(iii) after the expiration of the time for redemption on a real estate tax judgment sale;

(2) any person holds over real property after termination of the time for which it is demised or leased to that person or to the persons under whom that person holds possession, contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or

(3) any tenant at will holds over after the termination of the tenancy by notice to quit.

(b) A landlord may not commence an eviction action against a tenant or authorized occupant solely on the basis that the tenant or authorized occupant has been the victim of any of the acts listed in section 504B.206, subdivision 1, paragraph (a). A landlord may not commence an eviction action against a residential tenant who has terminated a lease as provided in section 504B.206. Nothing in this paragraph should be construed to prohibit an eviction action based on a breach of the lease or where a tenant has provided the written notice under section 504B.206, subdivision 1, but failed to vacate on or before the date provided in that notice. A landlord violating this paragraph is liable to the tenant for reasonable attorney fees and costs incurred by the tenant for obtaining an expungement as provided under section 484.014, subdivision 3.

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

Sec. 18. **[504B.332] SUMMONS AND COMPLAINT; HOW SERVED.**

Subdivision 1. **Definition.** For purposes of this section, "plaintiff" includes the plaintiff's attorney, employees of the plaintiff's attorney, or any other agent of the plaintiff.

Subd. 2. **Generally.** (a) The summons and complaint must be served at least seven days before the date of the court appearance specified in section 504B.321, in the manner provided in subdivision 3 or 4.

(b) If the plaintiff regularly uses electronic written communication to communicate with the defendant, the plaintiff must make a good faith attempt to communicate to the defendant that an eviction hearing has been scheduled at least seven days before the date of the court appearance specified in section 504B.321. This requirement is in addition to completing service in the manner provided in subdivision 3 or 4. The communication must have a time and date stamp, and include the date, time, and place of the hearing specified in the summons. The communication must be delivered by means of electronic written communication that the plaintiff regularly uses to communicate with the defendant or to the last known electronic address the plaintiff has used to communicate with the defendant, unless the parties do not communicate via any form of electronic written communication. The plaintiff must substantially comply with this paragraph.

Subd. 3. **Personal or substitute service.** (a) If the defendant can be found in the county, the summons and complaint must be served in the manner provided for service of a civil action in district court.

(b) If the defendant cannot be found in the county, the summons and complaint may be served at least seven days before the date of the court appearance by:

(1) leaving a copy of the summons and complaint at the defendant's last usual place of abode with a person of suitable age and discretion residing there; or

(2) if the defendant had no place of abode, by leaving a copy of the summons and complaint at the property described in the complaint with a person of suitable age and discretion occupying the premises.

(c) At least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court an affidavit of personal or substitute service.

Subd. 4. **Service by mail and posting.** (a) If attempts at personal or substitute service are unsuccessful, service of the summons and complaint may be made by mail and posting.

(b) If service by mail and posting is used, the following steps must occur no later than seven days before the date of the court appearance specified in section 504B.321:

(1) the plaintiff must mail a copy of the summons and complaint to the defendant at the defendant's last known address;

(2) for residential evictions only, there must be at least two attempts at personal service. The personal service attempts must occur on different days at the last known address of the defendant and be done in the manner provided for service of a summons and complaint in a civil action in district court. At least one of the attempts must be made between the hours of 6:00 p.m. and 10:00 p.m. Failure to serve the defendant, after the plaintiff complies with this paragraph, is prima facie

proof that attempts at personal or substitute service were unsuccessful and that the defendant cannot be found in the county;

(3) the summons and complaint must be posted on the entry to the defendant's individual unit. If the defendant occupies a multiunit building, the summons and complaint must be posted on the door of the defendant's individual unit; and

(4) at least three days before the date of the court appearance specified in section 504B.321, the plaintiff must file with the court affidavits stating:

(i) the defendant cannot be found in the county, or that the plaintiff believes that the defendant is not in the state;

(ii) a copy of the summons and complaint has been mailed to the defendant at the defendant's last known address at least seven days before the date of the court appearance specified in section 504B.321;

(iii) compliance with subdivision 2, paragraph (b), by providing the date and manner by which the plaintiff attempted to communicate to the defendant in compliance with subdivision 2, paragraph (b), or stating that the plaintiff does not use electronic written communication to regularly communicate with the defendant and does not have an electronic address for the defendant;

(iv) if applicable, how the requirements of clause (2) were met, including the dates and times of the attempts at service; and

(v) the date and time the summons and complaint were posted on the entry to the defendant's individual unit.

Subd. 5. **Failure to appear.** If the defendant or the defendant's attorney does not appear in court on the date of the appearance, the trial shall proceed.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to all summons and complaints served on or after that date.

Sec. 19. Minnesota Statutes 2023 Supplement, section 504B.345, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) If the court or jury finds for the plaintiff, the court shall immediately enter judgment that the plaintiff shall have recovery of the premises, and shall tax the costs against the defendant. The court shall issue execution in favor of the plaintiff for the costs and also immediately issue a writ of recovery of premises and order to vacate.

(b) The court shall give priority in issuing a writ of recovery of premises and order to vacate for an eviction action brought under section 504B.171 or on the basis that the tenant is causing a nuisance or seriously endangers the safety of other residents, their property, or the landlord's property.

(c) If the court or jury finds for the defendant, then the court:

(1) shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution in favor of the defendant; and

(2) shall expunge the records relating to the action under the provisions of section 484.014 or under the court's inherent authority at the time judgment is entered or after that time upon motion of the defendant.

(d) Except in actions brought: (1) ~~under section 504B.291~~; (2) under section 504B.171; or (3) (2) on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, or intentionally and seriously damages the property of the landlord or a tenant, the court shall stay the writ of recovery of premises and order to vacate for a reasonable period, not to exceed seven days.

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

Sec. 20. Minnesota Statutes 2022, section 504B.385, subdivision 2, is amended to read:

Subd. 2. **Counterclaim for possession.** (a) The landlord may file a counterclaim for possession of the property in cases where the landlord alleges that the residential tenant did not deposit the full amount of rent with the court administrator.

(b) The court must set the date for a hearing on the counterclaim not less than seven nor more than 14 days from the day of filing the counterclaim. If the rent escrow hearing and the hearing on the counterclaim for possession cannot be heard on the same day, the matters must be consolidated and heard on the date scheduled for the hearing on the counterclaim.

(c) The contents of the counterclaim for possession must meet the requirements for a complaint under section 504B.321.

(d) The landlord must serve the counterclaim as provided in section ~~504B.331~~ 504B.332, except that the affidavit of service or mailing may be brought to the hearing rather than filed with the court before the hearing.

(e) The court must provide a simplified form for use under this section.

Sec. 21. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 504B.331, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2024."

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 3670:** A bill for an act relating to taxation; repealing the tax on illegal cannabis and controlled substances; making related technical changes; amending Minnesota Statutes 2022, section 609.902, subdivision 4; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota Statutes 2023 Supplement, sections 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

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

**S.F. No. 3999:** A bill for an act relating to public safety; ensuring that victim-identifying supporting documentation submitted by medical service provider to sexual assault exam payment program is classified private data; providing consistent definition of crime victim in statutes; excluding voluntary donation or gift as a collateral source for crime victim reimbursement; amending Minnesota Statutes 2022, sections 243.05, subdivision 1b; 253B.18, subdivision 5a; 253D.14, subdivision 1; 611A.73, subdivision 4; 629.72, subdivisions 1, 7; 629.725; 629.73, subdivision 1, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 609.35; 611A.039, subdivision 1; 611A.52, subdivision 5.

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

Page 4, after line 22, insert:

**"EFFECTIVE DATE.** This section is effective the day following final enactment and applies to data requests received before that date if the responsible authority has not yet provided a response."

Page 6, line 5, after "contract" insert "or benefits from any private source provided as a voluntary donation or gift"

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 4312:** A bill for an act relating to firearms; establishing standards for the safe storage of firearms and criminal penalties for failing to meet those standards; amending Minnesota Statutes 2022, section 609.666; Minnesota Statutes 2023 Supplement, section 624.713, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 609.666, is amended to read:

**609.666 ~~NEGLIGENT~~ SAFE AND SECURE STORAGE OF FIREARMS.**

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

(~~a~~) (b) "Firearm" means a device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion or force of combustion. The term does not include firearms that are permanently inoperable.

(~~b~~) (c) "Authorized user" means a person who is eligible under state and federal law to possess a firearm and to whom the owner of a firearm has expressly granted permission to use the firearm.

(d) "Child" means a person under the age of 18 years.

(e) (e) "Firearm storage unit" means a secure, tamperproof container that is only accessible to the owner or authorized users of the firearm or firearms stored in the container.

(f) "Gun room" means an area within a building enclosed by walls, a floor, and a ceiling, that has all entrances secured by a tamper-resistant lock, that is kept locked at all times when unoccupied, and that is only accessible to the owner or authorized users of the firearm or firearms stored in the room.

(g) "Loaded" means the firearm has ammunition in the chamber or magazine, if the magazine is in the firearm, unless the firearm is incapable of being fired by a child who is likely to gain access to the firearm.

(h) "Locking device" means a feature of a firearm or an external device that renders the firearm inaccessible or inoperable, or both, to children and unauthorized users. Locking device includes but is not limited to the following: a biometric lock; a trigger lock; a barrel lock; or a cylinder lock.

Subd. 2. **Access to firearms.** A person is guilty of a gross misdemeanor who negligently stores or leaves a loaded firearm in a location where the person knows, or reasonably should know, that a child is likely to gain access, unless reasonable action is taken to secure the firearm against access by the child may not store, keep, or leave a firearm in any place unless the firearm is: (1) unloaded and equipped with a locking device; or (2) loaded or unloaded in a locked firearm storage unit or a locked gun room. A firearm is not considered stored, kept, or left under this subdivision during the period that it is under the direct physical control or reach of the person. A person who violates this subdivision is guilty of a crime and may be sentenced as provided for in subdivision 2a.

Subd. 2a. **Penalties.** (a) A person who violates subdivision 2 is guilty of a misdemeanor.

(b) A person who violates subdivision 2 is guilty of a gross misdemeanor if a child is present in the area where the firearm is stored, kept, or left.

(c) A person who violates subdivision 2 is guilty of a felony and may be sentenced to three years in prison or a fine of up to \$5,000, or both, if a loaded unsecured firearm is accessed by a child or a person prohibited from possessing firearms under section 624.713, subdivision 1.

(d) A person who violates subdivision 2 is guilty of a felony and may be sentenced to five years in prison or a fine of up to \$10,000, or both, if an unsecured firearm is used in a felony crime of violence or to inflict substantial or great bodily harm on, or to cause the death of, someone other than the owner or authorized user of the firearm.

Subd. 3. **Limitations.** Subdivision 2 and 2a do not apply to a child's access to firearms that was obtained as a result of an unlawful entry:

(1) in a motor vehicle while being transported in compliance with the requirements of section 97B.045, subdivision 1, clause (1), (2), or (3);

(2) in a motor vehicle while transported under the exceptions described in section 97B.045, subdivision 2 or 3;

(3) being used at a shooting sport event controlled by the Minnesota State High School League, including but not limited to the Minnesota State High School Clay Target League;

(4) being used for sports shooting at an area or facility designated or operated primarily for the use of firearms or shooting preserves as described in section 97A.115;

(5) owned or possessed by a peace officer as defined in section 626.84, subdivision 1, paragraph (c), while the officer is engaged in the performance of official duties; or

(6) stored in a police or sheriff station.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2023 Supplement, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is or has ever been committed in Minnesota or elsewhere by a judicial determination that the person is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined

in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who has been committed to a treatment facility in Minnesota or elsewhere by a judicial determination that the person is chemically dependent as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152. The use of medical cannabis flower or medical cannabinoid products by a patient enrolled in the registry program or the use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person 21 years of age or older does not constitute the unlawful use of a controlled substance under this item;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;



(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions;

(vii) has renounced the person's citizenship having been a citizen of the United States; or

(viii) is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2014;

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring gun); 609.666 (storage of firearms); 609.71 (riot); or 609.749 (harassment or stalking). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state;

(12) a person who has been convicted of a violation of section 609.224 if the court determined that the assault was against a family or household member in accordance with section 609.2242, subdivision 3 (domestic assault), unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of another violation of section 609.224 or a violation of a section listed in clause (11);

(13) a person who is subject to an order for protection as described in section 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g); or

(14) a person who is subject to an extreme risk protection order as described in section 624.7172 or 624.7174.

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

Participation as a patient in the registry program or use of adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by a person

21 years of age or older does not disqualify the person from possessing firearms and ammunition under this section.

For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Amend the title accordingly

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

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

**S.F. No. 4363:** A bill for an act relating to public safety; establishing a limit on the length of probation for certain attempted crimes; amending Minnesota Statutes 2023 Supplement, section 609.135, subdivision 2.

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 re-referred**

**S.F. No. 4431:** A bill for an act relating to elections; requiring the commissioner of revenue to establish an online system to claim the political contribution refund; amending the political contribution refund program to allow for electronic information transfer between the Campaign Finance and Public Disclosure Board and the Department of Revenue; classifying data; appropriating money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 10A.02, subdivision 11b, is amended to read:

Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may develop and maintain systems to enable treasurers to enter and store electronic records online for the purpose of complying with this chapter. Data entered into such systems by treasurers or their authorized agents is not government data under chapter 13 and may not be accessed or used by the board for any purpose without the treasurer's written consent. Data from such systems that has been submitted to the board as a filed report is government data under chapter 13.

(b) To the extent necessary to administer the refund under section 290.06, subdivision 23, the board may access or use data entered and stored in an electronic reporting system and share the data with the commissioner of revenue. Data accessed, used, or maintained by the board under this paragraph is private data on individuals, as defined in section 13.02, subdivision 12.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2022, section 10A.322, subdivision 4, is amended to read:

Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available to a political party on request and to any candidate for whom an agreement under this section is effective, ~~a supply of~~ official electronic refund ~~receipt forms~~ receipts that state in boldface type that:

(1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in section 290.06, subdivision 23; and

(2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section.

~~The forms must provide duplicate copies of the receipt to be attached to the contributor's claim.~~  
An electronic receipt must only be issued for a contribution of \$10 or more. Each receipt must include a unique receipt validation number that allows the commissioner of revenue to verify the information on the receipt with the Campaign Finance Board. A political party or candidate may provide a printed copy of the electronic receipt to the contributor.

(b) At least once a week, the board must provide the commissioner of revenue a receipt validation report. For each contribution reported to the board during the week, the report must include:

(1) the date and amount of the contribution;

(2) the name and address of the contributor;

(3) the name and campaign identification number of the party or candidate that received the contribution; and

(4) the receipt validation number assigned to the contribution.

~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(c)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(c)~~ (d) is a misdemeanor.

(f) A receipt validation report and a receipt validation number prepared pursuant to this section are private data on individuals, as defined in section 13.02, subdivision 12.

**EFFECTIVE DATE.** This section is effective for contributions made after December 31, 2025.

Sec. 3. Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23, is amended to read:

Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum total refund per calendar year for an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed \$150. The commissioner must not issue a refund, whether in one payment or in aggregate, to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A refund of a contribution is allowed only if the taxpayer files:

(1) a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request; or

(2) a claim using the electronic filing system authorized in paragraph (i).

The form or claim must include one or more unique receipt validation numbers from receipts issued pursuant to section 10A.322, subdivision 4.

(b) A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. A claim must be for a minimum of \$10. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270C.405.

~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

~~(c)~~ (d) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

~~(d)~~ (e) The commissioner shall make copies of the form available to the public and candidates upon request.

~~(e)~~ (f) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a)~~ (i) The commissioner must establish an electronic filing system by which refunds are claimed.

**EFFECTIVE DATE.** This section is effective for contributions made after December 31, 2025.

Sec. 4. **APPROPRIATION.**

\$..... in fiscal year 2025 is appropriated to the commissioner of revenue from the general fund to establish and implement an electronic filing system for political contribution refund claims. This is a onetime appropriation and is available until June 30, 2026."

Amend the title accordingly

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

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

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

**S.F. No. 4579:** A bill for an act relating to energy; providing for and regulating shared-metered utility service in residential buildings; amending Minnesota Statutes 2022, sections 216B.022; 216B.098, subdivision 6; 504B.285, subdivision 4; Minnesota Statutes 2023 Supplement, section 216B.172, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 504B.

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

Page 1, delete lines 12 to 18

Reletter the paragraphs in sequence

Page 2, after line 20, insert:

"(b) On or after January 1, 2025, all submeters installed by a landlord to measure utility service must meet standards established by the American National Standards Institute."

Page 2, delete lines 21 and 22 and insert:

"(c) All submeters, regardless of when they were installed, must accurately measure utility service."

Page 3, line 15, before "Fees" insert "Submeter"

Page 3, line 23, delete "subdivision 4" and insert "subdivisions 5 and 6"

Page 3, line 27, delete "monthly"

Page 3, line 28, delete the first "for utility service" and after "for" insert "submetered"

Page 4, after line 5, insert:

"(6) if any, the portion of any bill credit the landlord received from the utility provider that is apportioned to the tenant;"

Page 4, line 6, delete "(6)" and insert "(7)"

Page 4, line 7, delete "(7)" and insert "(8)"

Page 4, line 8, delete "will" and insert "may"

Page 4, line 10, delete "include" and insert "describe" and before the semicolon, insert ", as provided in section 504B.216, subdivision 6"

Page 4, line 11, delete "reflect and identify any portion" and insert "identify the portion, if any,"

Page 4, line 16, delete everything after "(5)" and insert "include the date by which payment is due; the date after which, if the bill is not paid, a late payment charge will be imposed; and the amount of the charge, if any."

Page 4, delete lines 17 and 18

Page 4, line 20, after "rent" insert "for electricity" and delete the colon and insert "comply with this section, section 216B.022, and applicable provisions of section 504B.216, and is subject to section 216B.024."

Page 4, after line 20, insert:

"(b) A landlord who submeters electricity must:"

Page 5, line 1, delete "(b)" and insert "(c)"

Page 5, line 4, before "A" insert "(a)"

Page 5, line 5, delete everything after "rent" and insert "for natural gas may either install submeters or apportion natural gas."

Page 5, after line 5, insert:

"(b) A landlord who submeters natural gas usage must comply with this section, section 216B.022, and applicable provisions of section 504B.216, and is subject to section 216B.024.

"(c) A landlord who apportions natural gas usage must comply with subdivisions 4, 5, 6, 7, and 8 and applicable provisions of section 504B.216, and is subject to section 216B.024."

Page 5, line 6, after "for" insert "utility service may charge an administrative billing fee as provided in section 504B.216, subdivision 8."

Page 5, delete lines 7 to 9

Page 5, line 22, delete "agreements" and insert "plans" and delete "agreement" and insert "plan"

Page 5, line 23, delete everything after the period

Page 5, line 24, delete "or legal aid services, payment agreements" and insert "The plan"

Page 5, line 26, delete "agreement" and insert "plan"

Page 5, line 30, delete "landlord, except that the duration of a payment agreement offered by" and insert "landlord."

Page 5, delete line 31

Page 5, line 32, delete "legal aid services," and insert "The plan"

Page 5, line 34, delete "undercharge agreement" and insert "payment plan"

Page 6, line 13, after the second comma, insert "or a landlord of a shared-metered building,"

Page 8, line 22, delete everything after the period

Page 8, delete line 23

Page 8, delete lines 26 to 29

Page 8, line 30, delete "(c)" and insert "(b)"

Page 9, line 1, delete "(d)" and insert "(c)"

Page 9, line 2, after "Submetering" insert "of electricity and natural gas" and delete "(a)" and delete "is authorized to submeter" and insert "submeters"

Page 9, line 3, before the period, insert ", and is subject to section 216B.024"

Page 9, delete lines 4 to 14 and insert:

"Subd. 4. **Submetering of water.** (a) On or after January 1, 2025, any submeters installed by a landlord to measure water and sewer usage must comply with standards established by the local municipal water company for meters the company uses to measure water and sewer service provided to the company's customers.

(b) A landlord who submeters water must:

(1) bill tenants according to the provisions of section 216B.023, subdivision 1, paragraphs (a) to (c);

(2) charge tenants according to the provisions of section 216B.023, subdivision 2, paragraphs (a) to (c); and

(3) comply with sections 216B.022, subdivision 4, and 216B.023, subdivisions 5, 6, 7, and 8.

(c) A landlord may not charge to or collect from tenants any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters, unless the expense is due to the tenant's willful, malicious, or negligent conduct."

Page 9, line 15, after the first "Apportionment" insert "generally"

Page 9, after line 15, insert:

"(b) A landlord who apportions natural gas or water and sewer, or both, must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual natural gas water or sewer utility bill for the building along with each apportioned water or sewer utility bill. Upon a tenant's request, a landlord must also provide past copies of water or sewer utility bills for any period of the tenancy for which the tenant received an apportioned utility bill."

Page 9, delete lines 16 to 34

Page 10, delete lines 1 to 19

Page 10, before line 20, insert:

"Subd. 6. **Apportionment of natural gas.** A landlord may apportion natural gas used only in the tenant's unit and may apportion fixed meter or services charges and taxes only according to the formula set forth in clauses (1) to (4) and as agreed to by the landlord and tenant in the lease or a written agreement:

(1) a tenant's apportioned natural gas usage must be based solely on the square footage in the tenant's unit. A landlord may not charge any tenant for natural gas consumed in common areas or in spaces used exclusively or primarily by the landlord;

(2) if there is a fixed meter or service charge on the bill the landlord receives from the utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of that charge, calculated by dividing the charge as shown on the bill issued to the landlord by the utility provider equally among the number of units in the building;



(3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued to the landlord by the provider equally among the number of units in the building; and

(4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.

Subd. 7. **Apportionment of water and sewer.** A landlord may apportion water used only in the tenant's unit and may apportion fixed meter or services charges, fixed sewer charges, and taxes only according to the formula set forth in clauses (1) to (4) and as agreed to by the landlord and tenant in the lease or a written agreement:

(1) a tenant's apportioned water usage must be based solely on a combination of square footage in the tenant's unit and the unit's occupancy. A landlord may not charge any tenant for water usage in common areas, for maintenance of the property, for amenities including but not limited to laundry facilities and pools, or in spaces used exclusively or primarily by the landlord;

(2) if there is a fixed meter or service charge on the bill the landlord receives from the utility provider, the landlord may apportion to the tenant only the tenant's pro rata share of that charge, calculated by dividing the charge as shown on the bill issued to the landlord by the utility provider equally among the number of units in the building;

(3) the landlord may charge a tenant only for the tenant's pro rata share of the taxes, surcharges, and flat fees by dividing the sum of those charges as shown on the bill issued to the landlord by the provider equally among the number of units in the building; and

(4) the landlord must deduct from a tenant's total bill the tenant's pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.

Subd. 8. **Administrative billing charge.** A landlord who bills separately from rent for any utility service may charge a tenant a single administrative billing fee per billing period for all the utilities that are separately billed that do not exceed \$8. No other fees may be charged to or collected from tenants for utility service, including but not limited to any administrative, capital, or any other expenses associated with the installation, maintenance, repair, replacement, or reading of submeters, unless the expense involving a submeter is due to the tenant's willful, malicious, or negligent conduct."

Page 11, delete lines 5 to 8 and insert:

"(2) an eviction action may not be filed and any eviction already filed must be stayed for:

(i) the failure to pay gas or electric utility service charges during the cold weather period;

(ii) the failure to pay electric utility charges during a heat emergency; and

(iii) if the tenant notifies the landlord or the court that the tenant or a member of the tenant's household is experiencing a medical emergency or where medical equipment requiring electricity necessary to sustain life is in use and certification of the emergency is provided to the landlord or

the court by a licensed medical health care professional within three days of notification to the landlord or the court; and"

Page 14, after line 15, insert:

"Subd. 14. **Violations.** A violation of subdivisions 2 to 9 is a violation of sections 504B.161 and 504B.221."

Renumber the subdivisions in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 4852:** A bill for an act relating to public safety; modifying registration and verification process for individuals required to register as predatory offenders; amending Minnesota Statutes 2022, section 243.166, subdivisions 1a, 3, by adding a subdivision.

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. 4960:** A bill for an act relating to corrections; modifying membership and meetings of state correctional facilities security audit group; amending Minnesota Statutes 2022, section 241.021, subdivision 1h.

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

Page 2, after line 31, insert:

"(f) The state correctional facilities security audit group is not subject to chapter 13D.

(g) Except as otherwise provided in this paragraph, the terms, compensation, and removal of members of the group are governed by section 15.059. Members of the group serve without compensation but shall receive expense reimbursement. Notwithstanding section 15.059, subdivision 6, the group does not expire."

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 4961:** A bill for an act relating to public safety; modifying the law addressing release of certain inmates; amending Minnesota Statutes 2023 Supplement, section 244.05, subdivision 5.

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

Page 5, after line 11, insert:

**"Sec. 2. RIGHT TO SUPERVISED RELEASE HEARING BEFORE SUPERVISED RELEASE BOARD.**

An inmate who had a supervised release hearing conducted by the commissioner of corrections during the period between May 19, 2023, and June 30, 2024, has the right to a new hearing before the Supervised Release Board. The board must attempt to accommodate any request for a hearing by an inmate under this section in a timely manner.

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

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 4962:** A bill for an act relating to public safety; changing name of Ensuring Police Excellence and Improving Community Relations Advisory Council to Public Safety Advisory Council; amending Minnesota Statutes 2022, sections 626.8435, subdivision 1; 626.8457, subdivision 3.

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. 5026:** A bill for an act relating to public safety; requiring data collection and analysis of the state's predatory offender system; requiring a report; amending Minnesota Statutes 2022, sections 13.82, by adding a subdivision; 243.166, subdivisions 6, 7, by adding a subdivision; 244.09, by adding a subdivision; 260B.198, subdivision 7; Minnesota Statutes 2023 Supplement, section 243.166, subdivision 1b.

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

Page 1, delete section 1

Page 2, line 9, after "of" insert "Minnesota Statutes 2020,"

Page 3, delete lines 28 and 29 and insert:

**"EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to:

(1) convictions and delinquency adjudications for a violation of Minnesota Statutes, section 609.255, subdivision 2, or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency adjudications for such an offense that are not yet final on that date; and

(2) convictions and delinquency adjudications for disseminating a pornographic work involving a minor in violation of Minnesota Statutes, section 617.247 or another offense arising out of the same set of circumstances that occur on or after that date and to convictions and delinquency

adjudications for such an offense that occurred before that date if the court told the person of the duty to register."

Page 4, line 14, delete "243.166" and insert "243.167"

Page 4, line 15, strike "any" and insert "an" and after "offense" insert "that requires registration under this section or section 243.167"

Page 5, line 11, delete "crimes" and insert "convictions and revocations of probation, supervised release, or conditional release that occur on or after that date and to convictions that are not yet final on that date."

Page 5, delete line 12

Page 5, delete section 4

Page 6, delete sections 5 and 6

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 5153:** A bill for an act relating to public safety; increasing penalties for transferring certain firearms to persons who are ineligible to possess firearms; amending Minnesota Statutes 2022, section 624.7141.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 299A.642, subdivision 15, is amended to read:

Subd. 15. **Required reports.** (a) By February 1 of each year, the commissioner of public safety shall submit the following reports to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding:

(1) a report containing a summary of all audits conducted on multijurisdictional entities under subdivision 4;

(2) a report on the results of audits conducted on data submitted to the criminal gang investigative data system under section 299C.091;

(3) a report on the activities and goals of the coordinating council; and

(4) a report on how funds appropriated for violent crime reduction strategies were used.

(b) The report submitted under paragraph (a), clause (4), must include the following information regarding actions taken by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams receiving funding under this section:

- (1) the number of firearms seized;
- (2) the number of gun trafficking investigations conducted; and
- (3) a summary of the types of investigations conducted.

Sec. 2. Minnesota Statutes 2023 Supplement, section 609.67, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Machine gun" means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger.

(b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

(d) "Trigger activator" means:

(1) a removable manual or power driven trigger activating device constructed and designed so that, when attached to a firearm, the rate at which the trigger may be pulled increases and the rate of fire of the firearm increases to that of a machine gun; or

(2) a device that allows a semiautomatic firearm to shoot more than one shot with a single pull of the trigger, a single pull and release of the trigger, or by harnessing the recoil of energy of the semiautomatic firearm to which it is affixed so that the trigger resets and continues firing without additional physical manipulation of the trigger.

(e) "Machine gun conversion kit" means any part or combination of parts designed and intended for use in converting a weapon into a machine gun, and any combination of parts from which a machine gun can be assembled, but does not include a spare or replacement part for a machine gun that is possessed lawfully under section 609.67, subdivision 3.

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

Sec. 3. Minnesota Statutes 2022, section 624.7141, is amended to read:

**624.7141 TRANSFER TO INELIGIBLE PERSON.**

Subdivision 1. **Transfer prohibited.** (a) A person is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for up to two years and to payment of a fine of not more than \$10,000 if the person intentionally transfers a ~~pistol or semiautomatic military style assault weapon~~ firearm to another if and the person knows or reasonably should know that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon or any other firearm;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under section 624.713 from possessing a pistol or semiautomatic military-style assault weapon or any other firearm.

(b) Paragraph (a) does not apply to the transfer of a firearm other than a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who is not disqualified from possessing any other firearm.

Subd. 2. **Felony Aggravated offense.** A ~~violation of this section is a felony~~ person who violates this section may be sentenced to imprisonment for up to five years and to payment of a fine of not more than \$20,000 if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence.

Subd. 3. **Subsequent eligibility.** This section is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon under section 624.713 after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

Subd. 4. **Affirmative defense.** If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this section that the defendant committed the violation only under compulsion by the transferee, who by explicit or implicit threats or other acts created a reasonable apprehension in the mind of the defendant that the refusal of the defendant to participate in the violation would result in the transferee causing substantial bodily harm or death to the defendant.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; requiring a report on gun trafficking investigations and firearm seizures by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams; amending the definition of trigger activator; increasing penalties for transferring firearms to certain persons who are ineligible to possess firearms; amending Minnesota Statutes 2022, section 624.7141; Minnesota Statutes 2023 Supplement, sections 299A.642, subdivision 15; 609.67, subdivision 1."

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

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

**S.F. No. 3530:** A bill for an act relating to consumer protection; prohibiting the possession, manufacture, or sale of cellular telephone cases resembling a firearm; providing a civil penalty; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

**Senator Fateh from the Committee on Higher Education, to which was referred**

**S.F. No. 4003:** A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions including student sexual misconduct, student aid, and institutional licensure provisions; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 135A.031, subdivision 7; 135A.15, subdivisions 1a, 2, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15, subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1****HIGHER EDUCATION POLICY**

Section 1. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status; ~~and~~

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 2. [135A.144] TRANSCRIPT ACCESS.

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

(c) "School" means a public institution governed by the Board of Trustees of the Minnesota State Colleges and Universities, private postsecondary educational institution as defined under section 136A.62 or 136A.821, or public or private entity that is responsible for providing transcripts to current or former students of an educational institution. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(d) "Transcript" means the statement of an individual's academic record, including official transcripts or the certified statement of an individual's academic record provided by a school, and unofficial transcripts or the uncertified statement of an individual's academic record provided by a school.

Subd. 2. **Prohibited practices.** (a) A school must not refuse to provide a transcript for a current or former student because the student owes a debt to the school if:

(1) the debt owed is less than \$1,000;

(2) the student has entered into and, as determined by the institution, is in compliance with a payment plan with the school;

(3) the transcript request is made by a prospective employer for the student;

(4) the school has sent the debt for repayment to the Department of Revenue or to a collection agency, as defined in section 332.31, subdivision 3, external to the institution and the debt has not been returned to the institution unpaid; or

(5) the person is incarcerated at a Minnesota correctional facility.

(b) A school must not charge an additional or higher fee for obtaining a transcript or provide less favorable treatment of a transcript request because a student owes a debt to the originating school.

Subd. 3. **Institutional policy.** (a) A school that uses transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the school collects on debts owed to the school.

(b) A school shall seek to use transcript issuance as a tool for debt collection for the fewest number of cases possible and in a manner that allows for the quickest possible resolution of the debt benefitting the student's educational progress.

(c) By September 30 each year, beginning in 2024, an institution or system that uses transcript issuance as a tool for debt collection shall provide the Office of Higher Education with an updated



copy of its policy under paragraph (a), and report the number of students, as of June 30 of that year, who were denied transcripts due to the student's debt.

Sec. 3. **[135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103.

(b) Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

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

(b) "Institutions of higher education" means an institution of higher education under subdivision 1.

(c) "Parenting student" means a student enrolled at an institution of higher education who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

Subd. 3. **Navigators.** An institution of higher education must designate at least one employee of the institution to act as a college navigator for current or incoming students at the institution who are parenting students. The navigator must provide to the students information regarding support services and other resources available to the students at the institution, including:

(1) medical and behavioral health coverage and services;

(2) public benefit programs, including programs related to food security, affordable housing, and housing subsidies;

(3) parenting and child care resources;

(4) employment assistance;

(5) transportation assistance; and

(6) any other resources developed by the institution to assist the students, including student academic success strategies.

Subd. 4. **Report.** (a) By June 30, 2026, an institution of higher education must establish a process for collecting the parenting status of each enrolled student. By November 30, 2025, the Office of Higher Education shall establish a process for collecting this information from institutions.

(b) Annually, beginning January 15, 2028, the Office of Higher Education must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over

higher education and children, youth, and families. The report must include the following for parenting students:

- (1) summary demographic data;
- (2) enrollment patterns;
- (3) retention rates;
- (4) completion rates;
- (5) average cumulative debt at exit or graduation as possible; and
- (6) time to completion.

Data must be disaggregated by institution, academic year, race and ethnicity, gender, and other factors determined to be relevant by the commissioner.

Sec. 4. **[135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING STUDENTS.**

Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has the meaning given.

(b) "Parenting student" means a student enrolled at a public college or university who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

- (1) take a leave of absence or withdraw from the student's degree or certificate program;
- (2) limit the student's studies;
- (3) participate in an alternative program;
- (4) change the student's major, degree, or certificate program; or
- (5) refrain from joining or cease participating in any course, activity, or program at the college or university.

(b) A Minnesota state college or university shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

- (1) would be provided to a student with a temporary medical condition; or
- (2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A Minnesota state college or university must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

- (1) excuse the student's absence;
- (2) allow the student to make up missed assignments or assessments;
- (3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; and
- (4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence.

(d) A Minnesota state college or university must and the University of Minnesota is requested to allow a pregnant or parenting student to:

- (1) take a leave of absence; and
- (2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission.

(e) If a public college or university provides early registration for courses or programs at the institution for any group of students, the Minnesota state college or university must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner.

Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

- (1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;
- (2) be posted in an easily accessible, straightforward format on the college or university's website; and
- (3) be made available annually to faculty, staff, and employees of the college or university.

Subd. 4. **Administration.** The commissioner of the Office of Higher Education must, in consultation with the Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota, establish guidelines, as necessary, to administer this section. The guidelines must establish minimum periods for which a pregnant or parenting student must be given a leave of absence under subdivision 2, paragraph (d). In establishing the minimum periods, the Office of Higher Education shall consider the maximum amount of time a student may be absent without significantly interfering with the student's ability to complete the student's degree or certificate program.

Sec. 5. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding a subdivision to read:

Subd. 5. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under section 135A.162. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

Sec. 6. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended to read:

Subd. 2. **Eligible grantees.** A Tribal college or public or nonprofit postsecondary two-year or four-year institution is eligible to apply for a grant under this section if the institution:

- (1) is accredited by the Higher Learning Commission; and
- (2) meets the eligibility requirements under section 136A.103.

Sec. 7. **[135A.163] STUDENTS WITH DISABILITIES; ACCOMMODATIONS; GENERAL REQUIREMENTS.**

Subdivision 1. **Short title.** This act may be cited as the "Minnesota Respond, Innovate, Succeed, and Empower (RISE) Act."

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

(b) "Institution of higher education" means a public institution of higher education, Tribal college, and private institution of higher education that receives federal funding. The Board of Regents of the University of Minnesota is requested to comply with this section.

(c) "Plain language" means communication the audience can understand the first time the audience reads or hears it.

(d) "Student with a disability" means an admitted or enrolled student who meets the definition of an individual with a disability under the Americans with Disabilities Act and includes a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231, who is admitted or enrolled in a comprehensive transition and postsecondary program.

Subd. 3. **Students with disabilities policy; dissemination of policy.** Each institution of higher education shall adopt a policy making self-disclosure by a student with a disability sufficient proof of a disability, which starts the interactive process for reasonable accommodations under subdivision 4.

Subd. 4. **Establishment of reasonable accommodation; documentation.** (a) An institution of higher education shall engage in an interactive process to document the student's accommodation needs to establish a reasonable accommodation. An institution may request documentation as part of the interactive process to establish accommodations for the student with a disability.

(b) The following documentation submitted by an admitted or enrolled student is sufficient documentation for the interactive process to establish reasonable accommodations for a student with a disability:

(1) documentation that the individual has had an individualized education program (IEP). The institution of higher education may request additional documentation from an individual who has had an IEP if the IEP was not in effect immediately before the date when the individual exited high school;

(2) documentation that the individual has received services or accommodations under a section 504 plan. The institution of higher education may request additional documentation from an individual who has received services or accommodations provided to the individual under a section 504 plan if the section 504 plan was not in effect immediately before the date when the individual exited high school;

(3) documentation of a plan or record of service for the individual from a private school, a local educational agency, a state educational agency, or an institution of higher education provided under a section 504 plan or in accordance with the Americans with Disabilities Act of 1990;

(4) a record or evaluation from an appropriately qualified health or other service professional who is knowledgeable about the individual's condition, finding that the individual has a disability;

(5) a plan or record of a disability from another institution of higher education;

(6) documentation of a disability due to military service; or

(7) additional information from an appropriately qualified health or other service professional who is knowledgeable about the student's condition and can clarify the need for a new accommodation not included in subdivision 4, paragraph (b), clauses (1) to (6).

(c) An institution of higher education may establish less burdensome criteria to determine reasonable accommodations for an enrolled or admitted student with a disability.

(d) An institution of higher education shall include a representative list of potential reasonable accommodations and disability resources for individuals with a disability that is accessible to applicants, students, parents, and faculty in plain language accessible formats. This information must be available in languages that reflect the primary languages of the institution's student body. The information must be provided during the student application process, student orientation, in academic catalogs, and the institution's public website. The reasonable accommodations and disability resources available to students are individualized and not limited to the list.

Subd. 5. **Higher education requirements for students with disabilities.** Institutions of higher education shall:

(1) before the beginning of each academic term, offer an opportunity for admitted students to self-identify as having a disability for which they may request an accommodation. The person or office responsible for arranging accommodations at the institution must initiate contact with any student who has self-identified under this clause. This does not preclude a student from requesting an accommodation for a disability at any other time;

(2) not require a student to be reevaluated for or submit documentation to prove the presence of a permanent disability if the student previously provided proof of their disability status and is not requesting any new accommodations;

(3) if a course instructor cannot provide an accommodation because it would fundamentally alter the nature of that course, require an instructor to provide a notification detailing why an accommodation cannot be provided to the student and submit that information to the student and the person or office responsible for arranging accommodations; and

(4) provide a student with a disability who is denied accommodations the option to include the person or office responsible for arranging accommodations in the institution's grievance or appeal process, to resolve equitable access barriers and prevent academic or financial penalty due to no fault of the student.

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

**Sec. 8. [135A.195] ADMISSIONS APPLICATIONS; LEGACY ADMISSIONS AND ADMISSIONS BASED ON DONOR STATUS PROHIBITED.**

(a) For the purpose of this section, "legacy status" means the familial relationship of an individual applying for admission to an institution of higher education to an alumnus of the institution.

(b) No public or private institution of higher education in Minnesota shall provide any manner of preferential treatment in the admissions decision to any student applicant on the basis of a student's legacy status or a student's familial relationship to any donor to such institution. The Board of Regents of the University of Minnesota is requested to comply with this section.

**Sec. 9. [136A.053] CONSOLIDATED STUDENT AID REPORTING.**

(a) The commissioner of the Office of Higher Education shall report annually beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

- (1) total funds appropriated and expended;
- (2) total number of students applying for funds;
- (3) total number of students receiving funds;
- (4) average and total award amounts;
- (5) summary demographic data on award recipients;
- (6) retention rates of award recipients;
- (7) completion rates of award recipients;
- (8) average cumulative debt at exit or graduation; and

(9) average time to completion.

(b) Data must be disaggregated by program, institution, aid year, race and ethnicity, gender, income, family type, dependency status, and any other factors determined to be relevant by the commissioner. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246 as evidenced by activities funded under each program.

Sec. 10. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for free or reduced-price school meals under the national school lunch program. Student eligibility shall be verified by sponsors of approved academic programs. The office shall award stipends for students within the limits of available appropriations for this section. If the amount appropriated is insufficient, the office shall allocate the available appropriation in the manner it determines. A stipend must not exceed \$1,000 per student.

Sec. 11. **[136A.097] ORDER OF AID CALCULATIONS.**

The commissioner must calculate aid for programs in the order of their original enactment from oldest to most recent. The commissioner may determine the order of calculating state financial aid if:

(1) a student is eligible for multiple state financial aid programs; and

(2) two or more of those programs calculate funding after accounting for other state aid.

If the commissioner determines that a greater amount of financial aid would be available to students by calculating aid in a particular order, the commissioner may calculate aid in that order.

Sec. 12. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training Voucher Program is eligible for a foster grant.

(b) If the individual is not eligible for the Education and Training Voucher Program, in order to receive a foster grant, an individual must:

(1) meet the definition of a resident student under section 136A.101, subdivision 8;

(2) be at least 13 years of age but fewer than 27 years of age;

(3) after the individual's 13th birthday, be in or have been in foster care in Minnesota before, on, or after June 27, 2021, including any of the following:

(i) placement in foster care at any time while 13 years of age or older;

(ii) adoption from foster care at any time after reaching 13 years of age; or

(iii) placement from foster care with a permanent legal custodian at any time after reaching 13 years of age;

(4) have graduated from high school or completed the equivalent as approved by the Department of Education;

(5) have been accepted for admission to, or be currently attending, an eligible institution;

(6) have submitted a FAFSA; ~~and~~

(7) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10;

(8) not be in default, as defined by the office, of any federal or state student educational loan;

(9) not be more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, be complying with a written payment agreement under section 518A.69 or order for arrearages; and

(10) not have been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

Sec. 13. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is amended to read:

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after accounting for:

(1) the results of the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the Federal Supplemental Educational Opportunity Grant;

(5) the sum of all Tribal scholarships;

(6) the amount of any other state and federal gift aid;

(7) the Education and Training Voucher Program;

(8) extended foster care benefits under section 260C.451;

(9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and



(10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by March 1 for the next academic year. An institution that opts out of participating, but participated in the program a previous year, must hold harmless currently enrolled recipients by continuing to provide the benefit under paragraph (d) as long as the student remains eligible.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

(1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and

(2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or received foster grant funds for a period of ten full-time semesters or the equivalent for a four-year undergraduate degree. A foster grant student enrolled in a two-year degree, certificate, or diploma program may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or received foster grant funds for a period of six full-time semesters or the equivalent.

(f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

(g) The commissioner shall establish a priority application deadline.

(h) If there is a projected shortfall in available resources, the commissioner must proportionately reduce awards to keep spending within available resources.

(i) Applicants applying after the priority deadline for whom the office has received a completed application must be placed on a waiting list in order of application completion date. Awards must be made on a first-come, first-served basis in the order complete applications are received. Students who received the Fostering Independence Grant in the previous year shall be given priority. If there are multiple applications with identical completion dates, those applications must be further sorted by application receipt date. Awards must be made to eligible students until the appropriation is expended.

Sec. 14. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The following terms have the meanings given:

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college and who meets the eligibility requirements in subdivision 2;

(2) "gift aid" ~~means all~~ includes:

(i) all federal financial aid that is not a loan or pursuant to a work-study program;

(ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant to a work-study program;

(iii) institutional financial aid ~~designated for the student's educational expenses~~, including a grant, scholarship, tuition waiver, fellowship stipend, or other ~~third-party~~ payment, unless designated for other expenses, that is not a loan or pursuant to a work-study program; and

(iv) all private financial aid that is not a loan or pursuant to a work-study program.

Financial aid from the state, public postsecondary educational institutions, and Tribal colleges that is specifically designated for other expenses is not gift aid for purposes of the North Star Promise scholarship. Gift aid does not include scholarships funded by the Minnesota State Colleges and Universities related foundations dollars;

~~(3) "office" means the Office of Higher Education;~~

(3) "other expenses" includes books, required supplies, child care, emergency assistance, food, and housing;

(4) "public postsecondary educational institution" means an institution operated by this state, or the Board of Regents of the University of Minnesota, ~~or a Tribal college;~~

(5) "recognized cost of attendance" has the meaning given in Code of Federal Regulations, title 20, chapter 28, subchapter IV, part F, section 108711;

~~(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after deducting grants and other scholarships;~~

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (c); and

(7) "tuition and fees" means the actual tuition and mandatory fees charged by an institution.

Sec. 15. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is amended to read:

Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student who:

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has a family adjusted gross income below \$80,000;

(3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over and has met all requirements for admission as a student to an eligible college or university;

~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~

(6) is enrolled in a program or course of study that applies to a degree, diploma, or certificate;

(7) is not in default, as defined by the office, of any federal or state student educational loan;

(8) is not more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement or, if the applicant is more than 30 days in arrears in court-ordered child support that is collected or enforced by the public authority responsible for child support enforcement, but is complying with a written payment agreement under section 518A.69 or order for arrearages;

(9) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C; and

~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Sec. 16. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is amended to read:

Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year, scholarships shall be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

(b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after scholarships are awarded under paragraph (a), supplemental grants shall be awarded to eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive based on household size, family adjusted gross income, and results of the federal needs analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of attendance. The commissioner may adjust the supplemental grant amount based on the availability of funds.

Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is amended to read:

Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with the 2024-2025 academic year, a public postsecondary educational institution or Tribal college shall not reduce the institutional gift aid offered or awarded to a student who is eligible to receive funds under this program unless the student's gift aid exceeds the student's annual recognized cost of attendance.

(b) The public postsecondary educational institution or Tribal college may reduce the institutional gift aid offer of a student who is eligible to receive funds under this program by no more than the amount of the student's gift aid that is in excess of the student's annual recognized cost of attendance.

(c) The public postsecondary educational institution or Tribal college shall not consider receipt or anticipated receipt of funds under this program when considering a student for qualification for institutional gift aid.

(d) To ensure financial aid is maximized, a public postsecondary educational institution or Tribal college is encouraged to implement efforts to avoid scholarship displacement through consultation with the Office of Higher Education ~~and students to avoid situations where institutional gift aid can only be used for specific purposes.~~

Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is amended to read:

Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a) Each scholarship is for a period of one semester. A scholarship may be renewed provided that the eligible student continues to meet the conditions of eligibility.

(b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing the completion of a certificate or an associate degree and up to 120 credits for the completion of a bachelor's degree~~ who has not previously received the scholarship for four full-time semesters or the equivalent. Scholarships may be provided to an eligible student pursuing the completion of a bachelor's degree who has not previously received the scholarship for eight full-time semesters or the equivalent. The maximum credits for which a student is eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken that qualify as developmental education or below college-level shall be excluded from the limit.

(c) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

~~(e) The commissioner shall determine a time frame by which the eligible student must complete the credential.~~

(d) The scholarship must be paid directly to the eligible institution where the student is enrolled.

Sec. 19. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe.

(b) The minimum loan amount and a maximum loan amount to students must be determined annually by the office. Loan limits are defined based on the type of program enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate program. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$140,000. The amount of the loan must not exceed the cost of attendance as determined by the eligible institution less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. A student may borrow up to the maximum amount twice in the same grade level.

(c) The cumulative borrowing maximums must be determined annually by the office and are defined based on program enrollment. In determining the cumulative borrowing maximums, the office shall, among other considerations, take into consideration the maximum SELF loan amount, student financing needs, funding capacity for the SELF program, delinquency and default loss management, and current financial market conditions.

Sec. 20. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans made under this section in accordance with the policies, rules, and conditions authorized under section 136A.16, subdivision 2. The office will take into consideration the loan limits and current financial market conditions when establishing repayment terms. The office shall not require a minimum annual payment, though the office may require minimum monthly payments.

Sec. 21. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended to read:

Subd. 3. **School.** "School" means:

(1) a Tribal college that has a physical presence in Minnesota;

(2) any partnership, company, firm, society, trust, association, corporation, or any combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private, for-profit postsecondary education institution; or (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit; or

(3) any public or private postsecondary educational institution located in another state or country ~~which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or~~ with a physical presence in Minnesota.

~~(4) any individual, entity, or postsecondary institution located in another state that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or awarding postsecondary credits or continuing education credits to Minnesota residents that may be applied to a degree program.~~

Sec. 22. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision to read:

Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of formal learning opportunities beyond high school, including those aimed at learning an occupation or earning an academic credential.

Sec. 23. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision to read:

Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of Minnesota for the purpose of conducting activity related to any program at the degree level or courses that may be applied to a degree program. Physical presence includes:

(1) operating a location within the state;

(2) offering instruction within or originating from Minnesota designed to impart knowledge with response utilizing teachers, trainers, counselors or computer resources, computer linking, or any form of electronic means; and

(3) granting an educational credential from a location within the state or to a student within the state.

Physical presence does not include field trips, sanctioned sports recruiting activities, or college fairs or other assemblies of schools in Minnesota. No school may enroll an individual, allow an individual to sign any agreement obligating the person to the school, accept any moneys from the individual, or follow up with an individual by means of an in-person meeting in Minnesota at a college fair or assembly.

Sec. 24. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

Subdivision 1. **Annual registration.** All schools ~~located within Minnesota and all schools located outside Minnesota~~ with a physical presence in Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Sec. 25. Minnesota Statutes 2022, section 136A.646, is amended to read:

#### **136A.646 ADDITIONAL SECURITY.**

(a) New institutions that have been granted conditional approval for degrees or names to allow them the opportunity to apply for and receive accreditation under section 136A.65, subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue from tuition and fees in the registered institution's prior fiscal year, but in no case shall the bond be less than \$10,000.

(b) Any registered institution that is notified by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV will be conditioned upon its satisfying ~~either the Zone Alternative, an alternative standard set forth in Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (e),~~ shall provide a surety bond in a sum equal to the "letter of credit" required by the United States Department of Education in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor more than \$250,000. If the letter of credit required by the United States Department of Education is higher than ten percent of the Title IV, Higher Education Act program funds received by the institution

during its most recently completed fiscal year, the office shall reduce the office's surety requirement to represent ten percent of the Title IV, Higher Education Act program funds received by the institution during its most recently completed fiscal year, subject to the minimum and maximum in this paragraph.

(c) In lieu of a bond, the applicant may deposit with the commissioner of management and budget:

(1) a sum equal to the amount of the required surety bond in cash;

(2) securities, as may be legally purchased by savings banks or for trust funds, in an aggregate market value equal to the amount of the required surety bond; or

(3) an irrevocable letter of credit issued by a financial institution to the amount of the required surety bond.

(d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(e) In the event of a school closure, the additional security must first be used to destroy any private educational data under section 13.32 left at a physical campus in Minnesota after all other governmental agencies have recovered or retrieved records under their record retention policies. Any remaining funds must then be used to reimburse tuition and fee costs to students that were enrolled at the time of the closure or had withdrawn in the previous ~~120~~ 180 calendar days but did not graduate. Priority for refunds will be given to students in the following order:

(1) cash payments made by the student or on behalf of a student;

(2) private student loans; and

(3) Veteran Administration education benefits that are not restored by the Veteran Administration. If there are additional security funds remaining, the additional security funds may be used to cover any administrative costs incurred by the office related to the closure of the school.

Sec. 26. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

Subd. 2. **Additional reporting.** (a) In addition to the information required for the indicators in subdivision 1, an institution must notify the office within ten business days if any of the events in paragraphs (b) to (e) occur.

(b) Related to revenue, debt, and cash flow, notice is required if:

(1) the institution defaulted on a debt payment or covenant and has not received a waiver of the violation from the financial institution within 60 days;

(2) for institutions with a federal composite score of less than 1.5, the institution's owner withdraws equity that directly results in a composite score of less than 1.0, unless the withdrawal is a transfer between affiliated entities included in a common composite score;

(3) the United States Department of Education requires a 25 percent or greater Letter of Credit, except when the Letter of Credit is imposed due to a change of ownership;

(4) the United States Department of Education requires Heightened Cash Monitoring 2;

(5) the institution receives written notification that it violated the United States Department of Education's revenue requirement under United States Code, title 20, section 1094(a)(24), as amended; or

(6) the institution receives written notification by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV is conditioned upon satisfying ~~either the Zone Alternative, an alternative standard set forth in Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (e).~~

(c) Related to accreditation and licensing, notice is required if:

(1) the institution receives written notification of probation, warning, show-cause, or loss of institutional accreditation;

(2) the institution receives written notification that its institutional accreditor lost federal recognition; or

(3) the institution receives written notification that it has materially violated state authorization or institution licensing requirements in a different state that may lead to or has led to the termination of the institution's ability to continue to provide educational programs or otherwise continue to operate in that state.

(d) Related to securities, notice is required if:

(1) the Securities and Exchange Commission (i) issues an order suspending or revoking the registration of the institution's securities, or (ii) suspends trading of the institution's securities on any national securities exchange;

(2) the national securities exchange on which the institution's securities are traded notifies the institution that it is not in compliance with the exchange's listing requirements and the institution's securities are delisted; or

(3) the Securities and Exchange Commission is not in timely receipt of a required report and did not issue an extension to file the report.

(e) Related to criminal and civil investigations, notice is required if:

(1) the institution receives written notification of a felony criminal indictment or charges of the institution's owner;

(2) the institution receives written notification of criminal indictment or charges of the institution's officers related to operations of the institution; or



(3) there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the institution or its owner, officers, agents, or sponsoring organization.

Sec. 27. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains, ~~advertises, administers, solicits for, or conducts~~ a physical presence for any program at less than an associate degree level; is not registered as a private institution under sections 136A.61 to 136A.71; and is not specifically exempted by section 136A.833.

Sec. 28. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision to read:

Subd. 20. **Physical presence.** "Physical presence" means presence within the state of Minnesota for the purpose of conducting activity related to any program at less than an associate degree level. Physical presence includes:

(1) operating a location within the state;

(2) offering instruction within or originating from Minnesota designed to impart knowledge with response utilizing teachers, trainers, counselors or computer resources, computer linking, or any form of electronic means;

(3) granting an educational credential from a location within the state or to a student within the state; and

(4) using an agent, recruiter, institution, or business that solicits for enrollment or credits or for the award of an educational credential.

Physical presence does not include field trips, sanctioned sports recruiting activities, or college fairs or other assemblies of schools in Minnesota. No school may enroll an individual, allow an individual to sign any agreement obligating the person to the school, accept any moneys from the individual, or follow up with an individual by means of an in-person meeting in Minnesota at a college fair or assembly.

Sec. 29. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

Subdivision 1. **Required.** A private career school must not maintain, ~~advertise, solicit for, administer, or conduct~~ a physical presence for any program in Minnesota without first obtaining a license from the office.

Sec. 30. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program by or on behalf of a person operating a private career school with a physical presence in Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is unenforceable in any action.

Sec. 31. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of Minnesota for any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, but in no event less than \$10,000, except that a private career school may deposit a greater amount at its own discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota.

(2) A person required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board, except not including those schools licensed exclusively in order to participate in state grants or SELF loan financial aid programs, shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the private career school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a private career school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 32. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota that ~~offer, advertise, solicit for, or conduct any program~~ have a physical presence within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. The statement shall designate the secretary of state as resident agent for service of process in the absence of a designated agent. If a private career school fails to file the statement, the secretary of state is designated as the resident agent authorized to receive service of

process. The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Sec. 33. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause; ~~and~~

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization; and

(10) the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829, or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation.

Sec. 34. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the private career school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

(b) Other than opinion-based statements or puffery, a school shall only make claims that are evidence-based, can be validated, and are based on current conditions and not on conditions that are no longer relevant.

(c) A school shall not guarantee or imply the guarantee of employment.

(d) A school shall not guarantee or advertise any certain wage or imply earnings greater than the prevailing wage for entry-level wages in the field of study for the geographic area unless advertised wages are based on verifiable wage information from graduates.

(e) If placement statistics are used in advertising or other promotional materials, the school must be able to substantiate the statistics with school records. These records must be made available to the office upon request. A school is prohibited from reporting the following in placement statistics:

(1) a student required to receive a job offer or start a job to be classified as a graduate;

(2) a graduate if the graduate held a position before enrolling in the program, unless graduating enabled the graduate to maintain the position or the graduate received a promotion or raise upon graduation;

(3) a graduate who works less than 20 hours per week; and

(4) a graduate who is not expected to maintain the position for at least 180 days.

(f) A school shall not use endorsements, commendations, or recommendations by a student in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements may be used only when they portray current conditions.

(g) A school may advertise that the school or its programs have been accredited by an accrediting agency recognized by the United States Department of Education or the Council for Higher Education Accreditation, but shall not advertise any other accreditation unless approved by the office. The office may approve an institution's advertising of accreditation that is not recognized by the United States Department of Education or the Council for Higher Education if that accreditation is industry specific. Clear distinction must be made when the school is in candidacy or application status versus full accreditation.

(h) A school may advertise that financial aid is available, including a listing of the financial aid programs in which the school participates, but federal or state financial aid shall not be used as a primary incentive in advertisement, promotion, or recruitment.

(i) A school may advertise placement or career assistance, if offered, but shall not use the words "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement.

(j) A school shall not be advertised under any "help wanted," "employment," or similar classification.

(k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar test.

(l) A school shall not make a claim that its program qualifies for a national certification if that national certification entity is not accepted or recognized by Minnesota employers. A school may validate that a national certification is accepted or recognized by Minnesota employers by providing three certified letters from employers that the national certification entity is recognized in Minnesota by employers.

~~(j)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading, or deceptive claim. To the extent reasonable, the retraction must be published in the same manner as the original claim.

Sec. 35. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license for periods of less than one year if in the judgment of the office correctable deficiencies exist at the time of application and when refusal to issue private career school license would adversely affect currently enrolled students;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the

use of restrictions and requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225.

Sec. 36. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision to read:

Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization is prohibited from applying for licensure under section 136A.822 within two years of the effective date of a revocation or within two years from the last date of instruction if the school closed prior to all students completing their courses and programs. A school applying for licensure must:

(1) meet the requirements for licensure under section 136A.822;

(2) pay the licensure fees as a new school under section 136A.824, subdivision 1;

(3) correct any deficiencies that were identified in the revocation order or closed school requests under section 136A.8225;

(4) pay any outstanding fines or penalties under section 136A.832; and

(5) pay any outstanding student refunds under section 136A.827.

Sec. 37. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended to read:

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under sections 136A.653, subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
- ~~(4) private career schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;~~
- ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure all members favorable wages, hours, and other working conditions;
- ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally disabled persons ~~for the state of Minnesota;~~
- ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota law to issue licenses for training programs except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee, regardless of whether that fee is reimbursed by the employer or third party after the employee successfully completes the training;
- ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects that are not advertised or maintained for vocational or career advancement, including adult basic education, as determined by the office except private career schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the private career school used "academy" or "institute" in its name prior to August 1, 2008;
- ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;
- ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than

commercial sale, vocational or career advancement, or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity, and that are offered exclusively to individuals with the professional licensure or certification. In making the determination that the licensure or certification is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in Minnesota;

~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations and does not include the instruction to prepare students for that license, occupation, certification, or exam;

~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

~~(16)~~ (15) classes, courses, or programs providing instruction in personal development that is not advertised or maintained for vocational or career advancement, modeling, or acting;

~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined by the office,~~ engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions if the distance education instruction does not include internships, externships, field placements, or clinical placements for residents of Minnesota; and

~~(18)~~ (17) private career schools providing exclusively training, instructional programs, or courses where tuition, fees, and any other charges, regardless of payment or reimbursement method, for a student to participate do not exceed \$100.

Sec. 38. Minnesota Statutes 2023 Supplement, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; (7) construction; (8) education; (9) public safety; (10) energy; or ~~(10)~~ (11) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.



(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 39. **[136F.405] ACADEMIC FREEDOM PROTECTION.**

**Subdivision 1. Definitions.** (a) For purposes of this section, the following term has the meaning given.

(b) "Academic freedom" means the freedom of an educator or researcher in higher education to investigate and discuss the issues in their academic field and to teach or publish findings without interference from political figures, boards of trustees, donors, or other entities.

**Subd. 2. Faculty rights.** (a) Minnesota State Colleges and Universities must maintain policies that support and encourage academic freedom. A faculty member at a Minnesota state institution may, without limitation, discuss the subject matter in the classroom of the courses the faculty member is assigned to teach without interference from political figures, boards of trustees, donors, or other entities. Each faculty member shall have the right to teach in an atmosphere of free intellectual inquiry and shall not be subjected to restraints or harassment that would impair teaching.

(b) A faculty member is entitled to full freedom in research and in the publication of results, so long as the faculty member fulfills the requirements and duties of the academic position held.

(c) A Minnesota state institution shall not discriminate against a faculty member for engaging in political activities or holding or voicing political views, so long as the exercise of this right does not interfere with the faculty member's job responsibilities as a faculty member.

Sec. 40. **REPEALER.**

(a) Minnesota Statutes 2022, section 135A.16, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7, is repealed.

**EFFECTIVE DATE.** Paragraph (a) of this section is effective January 1, 2025.

## ARTICLE 2

### SEXUAL MISCONDUCT POLICY

Section 1. Minnesota Statutes 2022, section 135A.15, as amended by Laws 2023, chapter 52, article 5, section 79, is amended to read:

**135A.15 CAMPUS SEXUAL HARASSMENT AND VIOLENCE MISCONDUCT POLICY.**

**Subdivision 1. Applicability; policy required.** (a) This section applies to the following postsecondary institutions:

(1) institutions governed by the Board of Trustees of the Minnesota State Colleges and Universities; and

(2) private postsecondary institutions that offer in-person courses on a campus located in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided that a private postsecondary institution with a systemwide enrollment of fewer than 100 students in the previous academic year is exempt from subdivisions 4 to 10~~ paragraph (a), that are participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(b) A postsecondary institution must adopt a clear, understandable written policy on sexual ~~harassment and sexual violence~~ misconduct that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the Crime Victims Reimbursement Board and the commissioner of public safety. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents against a student or employee of a postsecondary institution occurring on property owned or leased by the postsecondary system or institution or at any activity, program, organization, or event sponsored by the system or institution, or by a fraternity ~~and~~ or sorority, regardless of whether the activity, program, organization, or event occurs on or off property owned or leased by the postsecondary system or institution. It must include procedures for reporting incidents of sexual ~~harassment or sexual violence~~ misconduct and for disciplinary actions against violators. During student registration, a postsecondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times.

Subd. 1a. ~~Sexual assault definition~~ **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Advisor" means a person who is selected by a responding or reporting party to serve as a support during a campus investigation and disciplinary process. This person may be an attorney. An advisor serves as a support to a party by offering comfort or attending meetings.

(c) "Domestic violence" has the meaning giving in section 518B.01, subdivision 2.

~~(b)~~ (d) "Incident" means one report of sexual ~~assault~~ misconduct to a postsecondary institution, regardless of the number of complainants included in the report, the number of respondents included in the report, and whether or not the identity of any party is known by the reporting postsecondary institution. Incident encompasses all nonconsensual events included within one report if multiple events have been identified.

(e) "Intimate partner violence" means any physical or sexual harm or a pattern of any other coercive behavior committed, enabled, or solicited to gain or maintain power and control over a victim, including verbal, psychological, economic, or technological abuse that may or may not constitute criminal behavior against an individual, that may be classified as a sexual misconduct, dating violence, or domestic violence caused by:

(1) a current or former spouse of the individual; or

(2) a person in a sexual or romantic relationship with the individual.

(f) "Nonconsensual dissemination of sexual images" has the meaning given in section 617.261.

(g) "Reporting party" means the party in a disciplinary proceeding who has reported being subjected to conduct or communication that could constitute sexual misconduct.

(h) "Responding party" means the party in a disciplinary proceeding who has been reported to be the perpetrator of conduct or communication that could constitute sexual misconduct.

(e)(i) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

(j) "Sexual extortion" has the meaning given in section 609.3458.

(k) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

(l) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

(m) "Sexual misconduct" means an incident of sexual violence, intimate partner violence, domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate parts or sexual acts, sex trafficking, or stalking.

(n) "Stalking" means engaging in a course of conduct, on the basis of sex, directed at a specific person that would cause a reasonable person to (1) fear for that person's safety or the safety of others, or (2) suffer substantial emotional distress.

Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

(1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases defined as sexual misconduct that may constitute criminal behavior;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a sexual ~~assault~~ misconduct incident;

(3) allowing sexual ~~assault~~ misconduct victims to decide whether to report a case to law enforcement or not report altogether; participate in a campus investigation, disciplinary proceeding, or nondisciplinary informal resolution; or not participate altogether;

(4) requiring campus authorities to treat sexual ~~assault~~ misconduct victims with dignity;

(5) requiring campus authorities to offer sexual ~~assault~~ misconduct victims fair and respectful health care, counseling services, or referrals to such services;

(6) preventing campus authorities from suggesting to a victim of sexual ~~assault~~ misconduct that the victim is at fault for the crimes or violations that occurred;

(7) preventing campus authorities from suggesting to a victim of sexual ~~assault~~ misconduct that the victim should have acted in a different manner to avoid such a crime;

(8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~ misconduct victims by only disclosing data collected under this section to the victim, persons whose work assignments reasonably require access, and, at a sexual ~~assault~~ misconduct victim's request, police conducting a criminal investigation;

(9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus disciplinary authorities;

(10) a sexual ~~assault~~ misconduct victim's participation in and the presence of the victim's ~~attorney or other support person~~ advisor who is not a fact witness to the sexual ~~assault~~ misconduct at any meeting with campus officials concerning the victim's sexual ~~assault~~ misconduct complaint or campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint;

(11) ensuring that a sexual ~~assault~~ misconduct victim may decide when to repeat a description of the incident of sexual ~~assault~~ misconduct;

(12) notice to a sexual ~~assault~~ misconduct victim of the availability of a campus or local program providing ~~sexual-assault~~ victim advocacy services and information on free legal resources and services;

(13) notice to a sexual ~~assault~~ misconduct victim of the outcome of any campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent with laws relating to data practices;

(14) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual ~~assault~~ misconduct incident;

(15) the assistance of campus authorities, at the request of the sexual misconduct victim, in preserving ~~for a sexual assault complainant or victim~~ materials relevant to a campus disciplinary proceeding;

(16) during and after the process of investigating a complaint and conducting a campus disciplinary procedure, the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual ~~assault~~ misconduct victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible;

(17) forbidding retaliation, and establishing a process for investigating complaints of retaliation, against sexual ~~assault~~ misconduct victims by campus authorities, the accused, organizations affiliated with the accused, other students, and other employees;

(18) at the request of the victim, providing students who reported sexual ~~assaults~~ misconduct to the institution and subsequently choose to transfer to another postsecondary institution with information about resources for victims of sexual ~~assault~~ misconduct at the institution to which the victim is transferring; and

(19) consistent with laws governing access to student records, providing a student who reported an incident of sexual ~~assault~~ misconduct with access to the student's description of the incident as it was reported to the institution, including if that student transfers to another postsecondary institution.

(b) None of the rights given to a student by the policy required by subdivision 1 may be made contingent upon the victim entering into a nondisclosure agreement or other contract restricting the victim's ability to discuss information in connection with a sexual misconduct complaint, investigation, or hearing.

(c) A nondisclosure agreement or other contract restricting the victim's ability to discuss information in connection with a sexual misconduct complaint, investigation, or hearing may not be used as a condition of financial aid or remedial action.

Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A postsecondary institution must provide a reporting party an opportunity for an impartial, timely, and thorough investigation of a report of sexual misconduct against a student. If an investigation reveals that sexual misconduct has occurred, the institution must take prompt and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence, and, as appropriate, remedy its effects.

(b) Throughout any investigation or disciplinary proceeding, a postsecondary institution must treat the reporting parties, responding parties, witnesses, and other participants in the proceeding with dignity and respect.

(c) If a postsecondary institution conducts a hearing, an advisor may provide opening and closing remarks on behalf of a party or assist with formulating questions to the other party or witnesses about related evidence or credibility.

(d) In any disciplinary proceeding arising from an alleged incident of sexual misconduct against a student, a postsecondary institution must apply a preponderance of the evidence standard of proof.

**Subd. 3. Uniform amnesty.** The sexual ~~harassment and violence~~ misconduct policy required by subdivision 1 must include a provision that a witness or victim of an incident of sexual ~~assault~~ misconduct who reports the incident in good faith shall not be sanctioned by the institution for admitting in the report to a violation of the institution's student conduct policy on the personal use of drugs or alcohol.

**Subd. 4. Coordination with local law enforcement.** (a) A postsecondary institution must enter into a memorandum of understanding with the primary local law enforcement agencies that serve its campus. The memorandum must be entered into no later than January 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate responsibilities and require information sharing, in accordance with applicable state and federal privacy laws, about certain crimes including, but not limited to, sexual assault. This memorandum of understanding shall provide:

(1) delineation and sharing protocols of investigative responsibilities;

(2) protocols for investigations, including standards for notification and communication and measures to promote evidence preservation; and

(3) a method of sharing information about specific crimes, when directed by the victim, and a method of sharing crime details anonymously in order to better protect overall campus safety.

(b) Prior to the start of each academic year, a postsecondary institution shall distribute an electronic copy of the memorandum of understanding to all employees on the campus that are subject to the memorandum.

(c) An institution is exempt from the requirement that it develop a memorandum of understanding under this section if the institution and local or county law enforcement agencies establish a sexual ~~assault~~ misconduct protocol team to facilitate effective cooperation and collaboration between the institution and law enforcement.

Subd. 5. **Online reporting system.** (a) A postsecondary institution must provide an online reporting system to receive complaints of sexual ~~harassment and sexual violence~~ misconduct from students and employees. The system must permit anonymous reports, provided that the institution is not obligated to investigate an anonymous report unless a formal report is submitted through the process established in the institution's sexual ~~harassment and sexual violence~~ misconduct policy.

(b) A postsecondary institution must provide students making reports under this subdivision with information about who will receive and have access to the reports filed, how the information gathered through the system will be used, and contact information for on-campus and off-campus organizations serving victims of sexual ~~violence~~ misconduct.

(c) Data collected under this subdivision is classified as private data on individuals as defined by section 13.02, subdivision 12. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose work assignments reasonably require access.

Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually report statistics on sexual ~~assault~~ misconduct. This report must be prepared in addition to any federally required reporting on campus security, including reports required by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States Code, title 20, section 1092(f). The report must include, but not be limited to, the number of incidents of sexual ~~assault~~ misconduct of each offense listed under the definition in subdivision 1a, reported to the institution in the previous calendar year, as follows:

(1) the number that were investigated by the institution;

(2) the number that were referred for a disciplinary proceeding at the institution;

(3) the number the victim chose to report to local or state law enforcement;

(4) the number for which a campus disciplinary proceeding is pending, but has not reached a final resolution;

(5) the number in which the alleged perpetrator was found responsible by the disciplinary proceeding at the institution;

(6) the number that resulted in any action by the institution greater than a warning issued to the accused;

(7) the number that resulted in a disciplinary proceeding at the institution that closed without resolution;

(8) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the accused withdrew from the institution;

(9) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the victim chose not to participate in the procedure; and

(10) the number of reports made through the online reporting system established in subdivision 5, excluding reports submitted anonymously.

(b) If an institution previously submitted a report indicating that one or more disciplinary proceedings was pending, but had not reached a final resolution, and one or more of those disciplinary proceedings reached a final resolution within the previous calendar year, that institution must submit updated totals from the previous year that reflect the outcome of the pending case or cases.

(c) The reports required by this subdivision must be submitted to the Office of Higher Education by October 1 of each year. Each report must contain the data required under paragraphs (a) and (b) from the previous calendar year.

(d) The commissioner of the Office of Higher Education shall calculate statewide numbers for each data item reported by an institution under this subdivision. The statewide numbers must include data from postsecondary institutions that the commissioner could not publish due to federal laws governing access to student records.

(e) The Office of Higher Education shall publish on its website:

(1) the statewide data calculated under paragraph (d); and

(2) the data items required under paragraphs (a) and (b) for each postsecondary institution in the state.

Each postsecondary institution shall publish on the institution's website the data items required under paragraphs (a) and (b) for that institution.

(f) Reports and data required under this subdivision must be prepared and published as summary data, as defined in section 13.02, subdivision 19, and must be consistent with applicable law governing access to educational data. If an institution or the Office of Higher Education does not publish data because of applicable law, the publication must explain why data are not included.

**Subd. 7. Access to data; audit trail.** (a) Data on incidents of sexual ~~assault~~ misconduct shared with campus security officers or campus administrators responsible for investigating or adjudicating complaints of sexual ~~assault~~ misconduct are classified as private data on individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise subject to chapter 13 must

limit access to the data to only the data subject and persons whose work assignments reasonably require access.

(b) Only individuals with explicit authorization from an institution may enter, update, or access electronic data related to an incident of sexual ~~assault~~ misconduct collected, created, or maintained under this section. The ability of authorized individuals to enter, update, or access these data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual and the institutional authorization that grants access for that purpose. All actions in which the data related to an incident of sexual ~~assault~~ misconduct are entered, updated, accessed, shared, or disseminated outside of the institution must be recorded in a data audit trail. An institution shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this subdivision or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization, the matter shall be forwarded to a county attorney for prosecution.

Subd. 8. **Comprehensive training.** (a) A postsecondary institution must provide campus security officers and campus administrators responsible for investigating or adjudicating complaints of sexual ~~assault~~ misconduct with comprehensive training on preventing and responding to sexual ~~assault~~ misconduct in collaboration with the Bureau of Criminal Apprehension or another law enforcement agency with expertise in criminal sexual conduct. The training for campus security officers shall include a presentation on the dynamics of sexual assault, neurobiological responses to trauma, and best practices for preventing, responding to, and investigating sexual ~~assault~~ misconduct. The training for campus administrators responsible for investigating or adjudicating complaints on sexual ~~assault~~ misconduct shall include presentations on preventing sexual ~~assault~~ misconduct, responding to incidents of sexual ~~assault~~ misconduct, the dynamics of sexual assault, neurobiological responses to trauma, and compliance with state and federal laws on sexual ~~assault~~ misconduct.

(b) The following categories of students who attend, or will attend, one or more courses on campus or will participate in on-campus activities must be provided sexual ~~assault~~ misconduct training:

- (1) students pursuing a degree or certificate;
- (2) students who are taking courses through the Postsecondary Enrollment Options Act; and
- (3) any other categories of students determined by the institution.

Students must complete such training no later than ten business days after the start of a student's first semester of classes. Once a student completes the training, institutions must document the student's completion of the training and provide proof of training completion to a student at the student's request. Students enrolled at more than one institution within the same system at the same time are only required to complete the training once.

The training shall include information about topics including but not limited to sexual ~~assault~~ misconduct as defined in subdivision 1a; consent as defined in section 609.341, subdivision 4; preventing and reducing the prevalence of sexual ~~assault~~ misconduct; procedures for reporting campus sexual ~~assault~~ misconduct; and campus resources on sexual ~~assault~~ misconduct, including organizations that support victims of sexual ~~assault~~ misconduct.



(c) A postsecondary institution shall annually train individuals responsible for responding to reports of sexual ~~assault~~ misconduct. This training shall include information about best practices for interacting with victims of sexual ~~assault~~ misconduct, including how to reduce the emotional distress resulting from the reporting, investigatory, and disciplinary process.

(d) To the extent possible, trainings must be culturally responsive and address the unique experiences and challenges faced by students based on race, ethnicity, color, national origin, disability, socioeconomic status, religion, sex, gender identity, sexual orientation, and pregnancy or parenting status.

Subd. 9. **Student health services.** (a) An institution's student health service providers must screen students for incidents of sexual ~~violence and sexual harassment~~ misconduct. Student health service providers shall offer students information on resources available to victims and survivors of sexual ~~violence and sexual harassment~~ misconduct including counseling, mental health services, and procedures for reporting incidents to the institution.

(b) Each institution offering student health or counseling services must designate an existing staff member or existing staff members as confidential resources for victims of sexual ~~violence or sexual harassment~~ misconduct. The confidential resource must be available to meet with victims of sexual ~~violence and sexual harassment~~ misconduct. The confidential resource must provide victims with information about locally available resources for victims of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, mental health services and legal assistance. The confidential resource must provide victims with information about the process for reporting an incident of sexual ~~violence and sexual harassment~~ misconduct to campus authorities or local law enforcement. The victim shall decide whether to report an incident of sexual ~~violence and sexual harassment~~ misconduct to campus authorities or local law enforcement. Confidential resources must be trained in all aspects of responding to incidents of sexual ~~violence and sexual harassment~~ misconduct including, but not limited to, best practices for interacting with victims of trauma, preserving evidence, campus disciplinary and local legal processes, and locally available resources for victims. Data shared with a confidential resource is classified as sexual assault communication data as defined by section 13.822, subdivision 1.

Subd. 10. **Applicability of other laws.** This section does not exempt mandatory reporters from the requirements of section 626.557 or chapter 260E governing the reporting of maltreatment of minors or vulnerable adults. Nothing in this section limits the authority of an institution to comply with other applicable state or federal laws related to investigations or reports of sexual ~~harassment, sexual violence, or sexual assault~~ misconduct.

**EFFECTIVE DATE.** This section is effective August 1, 2025.

## ARTICLE 3

### ONLINE PROGRAM MANAGEMENT COMPANY REQUIREMENTS

Section 1. **[135A.195] REQUIREMENTS RELATED TO ONLINE PROGRAM MANAGEMENT COMPANIES.**

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

(b) "Contract" means an agreement entered into by an institution of higher education with an online program management company. Contract includes any amendment or addendum to the agreement.

(c) "Institution of higher education" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota. The Board of Regents of the University of Minnesota is requested to comply with this section.

(d) "Managed programs" means an online course or program that is fully delivered online in a virtual space.

(e) "Online program management company" means a private for-profit third-party entity that enters into a contract with an institution of higher education to provide bundled products and services to develop, deliver, or provide managed programs, when the services provided include recruitment and marketing.

(f) "Tuition sharing" means compensation or payment to an online program management company based on a percentage of revenue or fees collected from managed programs.

Subd. 2. **Contract stipulations.** (a) A contract must not contain any provision that:

(1) includes tuition sharing;

(2) grants the online program management company ownership rights to any or all intellectual property rights, patentable discoveries, or inventions of faculty members of an institution of higher education; or

(3) grants the online program management company decision making authority over:

(i) curriculum development, design, or maintenance;

(ii) student assessment and grading;

(iii) course assessment;

(iv) admissions requirements;

(v) appointment of faculty;

(vi) faculty assessment;

(vii) decision to award course credit or credential; or

(viii) institutional governance.

(b) A contract between an institution of higher education and an online program management company must contain a provision that the online program management company must provide its

audited financial statements and the data required under subdivision 4, paragraph (b), to the chief financial officer of the institution of higher education with which it has a contract for use in the reporting requirements in subdivision 4.

Subd. 3. **Mandatory contract review and approval.** Prior to being executed, a contract must be reviewed and approved by the institution of higher education's governing board. The Board of Regents of the University of Minnesota is requested to comply with this section. The review must include an analysis of the contract's compliance with subdivision 2 prior to approval.

Subd. 4. **Reporting requirements.** (a) Each institution of higher education that contracts with an online program management company shall require the independent public accountant or certified public accountant as part of the institution's annual compliance and financial audit, to provide information to determine if the online program management company was in material compliance with the terms of the contract in the prior fiscal year. Each institution of higher education shall submit an annual expenditure report and the annual compliance and financial audit report to the commissioner of management and budget and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over higher education finance for review. At a minimum, the annual expenditure report shall include:

(1) the information provided by the online program management company under paragraph (b);

(2) the total payments made by the institution to the online program management company during each semester of the prior academic year;

(3) the number of students who received state financial assistance during the prior academic year and were enrolled in each academic program for which the online program management company provided services; and

(4) whether the online program management company was in material compliance with the terms of the contract.

(b) An online program management company that enters into a contract with an institution of higher education shall submit an annual report to the institution's chief financial officer detailing all expenditures made on behalf of the institution during the prior academic year. In addition to any other information required by the commissioner, the annual report shall specify the amounts expended by the online program management company on each of the following categories of expenditure:

(1) advertising, recruitment, and marketing services;

(2) admissions and financial services;

(3) instruction services;

(4) student support services;

(5) technology resources and support services; and

(6) curriculum development materials.

(c) Any information filed with the commissioner under this section may be disclosed in accordance with chapter 13, except that confidential information shall not be disclosed.

Subd. 5. **Marketing requirements.** (a) An institution of higher education that retains an online program management company to provide marketing services for its academic degree programs shall require that:

(1) the online program management company self-identifies as a third-party entity that is separate from the institution at the beginning of any communication with a prospective student; and

(2) any digital or print advertising provided by the online program management company for an academic program of the institution includes a clear disclosure of the third-party relationship between the online program management company and the institution.

(b) An institution of higher education that contracts with an online program management company shall make publicly available on its website a list of the online programs that are supported by the online program management company.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to contracts entered into on or after that date.

## ARTICLE 4

### STUDENT PROTECTIONS

Section 1. Minnesota Statutes 2022, section 136A.645, is amended to read:

#### **136A.645 SCHOOL CLOSURE.**

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its registration status or ability to meet criteria for approval under section 136A.65, the school must provide the office:

(1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school email address, alternate email address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;

(3) a report of refunds due to any student and the amount due;

(4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.68 have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

(b) When a school intends to cease or announce the closure of a degree or nondegree program, or is informed by the office that the office anticipates the program's closure due to the program's registration status or its ability to meet criteria for approval under section 136A.65, or when the program loses eligibility in federal financial aid under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, the school must provide to the office:

(1) a notice of closure, including the name of the degree or nondegree program, the name and contact information of the program chair, and the planned date for termination of the degree or nondegree program;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days in the degree or nondegree program, including the following information for each student: name, address, school email address, alternate email address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure of the program if the program is terminated due to loss of eligibility in the federal Pell Grant program;

(3) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students in the degree or nondegree program has ceased;

(4) academic information, including the degree or nondegree program's most recent catalog, all course syllabi, and faculty credential information; and

(5) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must: (i) provide comparable education

and training; and (ii) agree that students transferring from the closing school pay only the cost of tuition and fees that remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school if the program is terminated due to loss of eligibility in the federal Pell Grant program.

~~(b)~~ (c) Without limitation as to other circumstance, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing;

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.63, subdivision 2.

~~(c)~~ (d) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's registration. This revocation is not appealable under section 136A.65, subdivision 8.

Sec. 2. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its degree or degrees and name approved must substantially meet the following criteria:

(1) the school has an organizational framework with administrative and teaching personnel to provide the educational programs offered;

(2) the school has financial resources sufficient to meet the school's financial obligations, including refunding tuition and other charges consistent with its stated policy if the institution is dissolved, or if claims for refunds are made, to provide service to the students as promised, and to provide educational programs leading to degrees as offered;

(3) the school operates in conformity with generally accepted accounting principles according to the type of school;

(4) the school provides an educational program leading to the degree it offers;

(5) the school provides appropriate and accessible library, laboratory, and other physical facilities to support the educational program offered;

(6) the school has a policy on freedom or limitation of expression and inquiry for faculty and students which is published or available on request;

(7) the school uses only publications and advertisements which are truthful and do not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school, its personnel,

programs, services, or occupational opportunities for its graduates for promotion and student recruitment;

(8) the school's compensated recruiting agents who are operating in Minnesota identify themselves as agents of the school when talking to or corresponding with students and prospective students;

(9) the school provides information to students and prospective students concerning:

(i) comprehensive and accurate policies relating to student admission, evaluation, suspension, and dismissal;

(ii) clear and accurate policies relating to granting credit for prior education, training, and experience and for courses offered by the school;

(iii) current schedules of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(iv) policies regarding refunds and adjustments for withdrawal or modification of enrollment status; and

(v) procedures and standards used for selection of recipients and the terms of payment and repayment for any financial aid program;

(10) the school must not withhold a student's official transcript because the student is in arrears or in default on any loan issued by the school to the student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~

(11) the school has a process to receive and act on student complaints; and

(12) the school must not use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.672.

(b) An application for degree approval must also include:

(i) title of degree and formal recognition awarded;

(ii) location where such degree will be offered;

(iii) proposed implementation date of the degree;

(iv) admissions requirements for the degree;

(v) length of the degree;

(vi) projected enrollment for a period of five years;

(vii) the curriculum required for the degree, including course syllabi or outlines;

(viii) statement of academic and administrative mechanisms planned for monitoring the quality of the proposed degree;

(ix) statement of satisfaction of professional licensure criteria, if applicable;

(x) documentation of the availability of clinical, internship, externship, or practicum sites, if applicable; and

(xi) statement of how the degree fulfills the institution's mission and goals, complements existing degrees, and contributes to the school's viability.

Sec. 3. Minnesota Statutes 2022, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons to the school, the office may:

(1) revoke, suspend, or refuse to renew school registration;

(2) revoke, suspend, or refuse approval of a school's degree or nondegree program; and

(3) revoke, suspend, or refuse approval of the use of a regulated term in its name.

(b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

(1) violating the provisions of sections 136A.61 to 136A.71;

(2) providing false, misleading, or incomplete information to the office;

(3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;

(4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received;

(5) failing to have enrollment within the last two years at the school; or

~~(6) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or~~

~~(7) having been administratively determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.~~

(c) Reasons for revocation or suspension of registration or approval under paragraph (a), clause (2), may be for one or more of the following reasons:

(1) the degree or nondegree program does not meet the provisions of sections 136A.61 to 136A.71;

(2) providing false, misleading, or incomplete information to the office about the degree or nondegree program;



(3) presenting information about the degree or nondegree program that is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;

(4) refusing to allow reasonable inspection or to supply reasonable information about the degree or nondegree program after a written request by the office has been received;

(5) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or

(6) the program loses eligibility in federal financial aid under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended.

~~(c)~~ (d) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 4. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

Subd. 2. **Additional reporting.** (a) In addition to the information required for the indicators in subdivision 1, an institution must notify the office within ten business days if any of the events in paragraphs (b) to (e) occur.

(b) Related to revenue, debt, and cash flow, notice is required if:

(1) the institution defaulted on a debt payment or covenant and has not received a waiver of the violation from the financial institution within 60 days;

(2) for institutions with a federal composite score of less than 1.5, the institution's owner withdraws equity that directly results in a composite score of less than 1.0, unless the withdrawal is a transfer between affiliated entities included in a common composite score;

(3) the United States Department of Education requires a 25 percent or greater Letter of Credit, except when the Letter of Credit is imposed due to a change of ownership;

(4) the United States Department of Education requires Heightened Cash Monitoring 2;

(5) the institution receives written notification that it violated the United States Department of Education's revenue requirement under United States Code, title 20, section 1094(a)(24), as amended;  
~~or~~

(6) the institution receives written notification by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c); or

(7) the institution receives written notification by the United States Department of Education that one or more of its programs have lost eligibility in federal financial aid under title IV of the Higher Education Act of 1965, Public Law 89-329, as amended, for failing to satisfy federal Financial Value Transparency and Gainful Employment requirements under Code of Federal Regulations, title 34, parts 600 and 668.

(c) Related to accreditation and licensing, notice is required if:

(1) the institution receives written notification of probation, warning, show-cause, or loss of institutional accreditation;

(2) the institution receives written notification that its institutional accreditor lost federal recognition; or

(3) the institution receives written notification that it has materially violated state authorization or institution licensing requirements in a different state that may lead to or has led to the termination of the institution's ability to continue to provide educational programs or otherwise continue to operate in that state.

(d) Related to securities, notice is required if:

(1) the Securities and Exchange Commission (i) issues an order suspending or revoking the registration of the institution's securities, or (ii) suspends trading of the institution's securities on any national securities exchange;

(2) the national securities exchange on which the institution's securities are traded notifies the institution that it is not in compliance with the exchange's listing requirements and the institution's securities are delisted; or

(3) the Securities and Exchange Commission is not in timely receipt of a required report and did not issue an extension to file the report.

(e) Related to criminal and civil investigations, notice is required if:

(1) the institution receives written notification of a felony criminal indictment or charges of the institution's owner;

(2) the institution receives written notification of criminal indictment or charges of the institution's officers related to operations of the institution; or

(3) there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the institution or its owner, officers, agents, or sponsoring organization.

Sec. 5. Minnesota Statutes 2022, section 136A.828, is amended by adding a subdivision to read:

Subd. 7. **Nondisclosure agreements.** No private career school shall use nondisclosure agreements or other contracts restricting a student's ability to disclose information in connection with school actions or conduct that would be covered under section 136A.8295."

Delete the title and insert:

"A bill for an act relating to higher education; making policy and technical changes to certain higher education provisions, including student sexual misconduct, student aid, and institutional licensure provisions; imposing requirements for contracts with online programming companies; establishing policies and procedures for students with disabilities; requiring reports; amending Minnesota Statutes 2022, sections 135A.15, as amended; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.645; 136A.646; 136A.65, subdivisions 4, 8; 136A.675, subdivision 2; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.828, subdivision 3, by adding a subdivision; 136A.829, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62, subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; repealing Minnesota Statutes 2022, section 135A.16; Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred**

**S.F. No. 3631:** A bill for an act relating to natural resources; providing for investment accounts; modifying report requirements; providing for transfer or sale of bison; providing for enhanced restitution values for mistreatment of wild animals; clarifying protection of threatened species; modifying releaf program; increasing tree seedling availability; correcting fee for water use general permit; extending Mineral Coordinating Committee; appropriating money; amending Minnesota Statutes 2022, sections 16A.125, subdivision 5; 84.027, subdivision 12; 84.0895, subdivisions 1, 8; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.341, subdivisions 1, 2, 3; 97A.345; Minnesota Statutes 2023 Supplement, section 103G.301, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

Delete everything after the enacting clause and insert:

## **"ARTICLE 1**

### **ELECTRONIC LICENSE SYSTEM**

Section 1. Minnesota Statutes 2022, section 14.386, is amended to read:

#### **14.386 PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.**

(a) A rule adopted, amended, or repealed by an agency, under a statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

(1) the revisor of statutes approves the form of the rule by certificate;

(2) the person authorized to adopt the rule on behalf of the agency signs an order adopting the rule;

(3) the Office of Administrative Hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files four paper copies or an electronic copy of the adopted rule with the revisor's certificate in the Office of the Secretary of State; and

(4) a copy is published by the agency in the State Register.

The secretary of state shall forward one copy of the rule to the governor.

A statute enacted after January 1, 1997, authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule does not excuse compliance with this section unless it makes specific reference to this section.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to:

(1) any group or rule listed in section 14.03, subdivisions 1 and 3, except as otherwise provided by law;

(2) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459;

(3) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005;

(4) game refuges designated by the commissioner of natural resources under section 97A.085; or

(5) transaction fees established by the commissioner of natural resources for electronic or telephone sales of licenses, stamps, permits, registrations, or transfers under section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2).

(e) If a statute provides that a rule is exempt from chapter 14, and section 14.386 does not apply to the rule, the rule has the force of law unless the context of the statute delegating the rulemaking authority makes clear that the rule does not have force of law.

Sec. 2. Minnesota Statutes 2022, section 84.027, subdivision 15, is amended to read:

Subd. 15. **Electronic transactions.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, gift card, safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone.

Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

~~(2) assign an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as temporary authorization to engage in the activity requiring a license or registration until the license or registration is received or expires;~~

~~(3)~~ (2) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including issuing fees and an additional transaction fee not to exceed \$3.50;

~~(4)~~ (3) charge and permit agents to charge a convenience fee not to exceed three percent of the cost of the license to individuals who use electronic bank cards for payment. An electronic licensing system agent charging a fee of individuals making an electronic bank card transaction in person must post a sign informing individuals of the fee. The sign must be near the point of payment, clearly visible, include the amount of the fee, and state: "License agents are allowed by state law to charge a fee not to exceed three percent of the cost of state licenses to persons who use electronic bank cards for payment. The fee is not required by state law.";

~~(5)~~ (4) establish, by written order, an electronic licensing system commission to be paid by revenues generated from all sales made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

~~(6)~~ (5) adopt rules to administer the provisions of this subdivision.

(b) The fees established under paragraph (a), clauses (2) and (3) ~~and (4)~~, and the commission established under paragraph (a), clause ~~(5)~~ (4), are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

(d) Game and fish licenses under chapters 97A, 97B, and 97C shall be available by electronic transaction, regardless of whether all or any part of the biennial appropriation law for the department has been enacted. If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts necessary to operate those functions for the purpose of this paragraph are appropriated from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of management and budget for a biennium in which this section is applicable supersedes and replaces the funding authorized in this paragraph.

Sec. 3. Minnesota Statutes 2022, section 84.0874, is amended to read:

**84.0874 ELECTRONIC LICENSING SYSTEM DATA.**

(a) The following data created, collected, stored, or maintained by the department for purposes of obtaining a noncommercial game and fish license, cross-country-ski pass, horse pass, or snowmobile trail ~~sticker~~ pass; registering a recreational motor vehicle; or any other electronic licensing transaction are private data on individuals as defined in section 13.02, subdivision 12: name, addresses, driver's license number, and date of birth. The data may be disclosed for law enforcement purposes. The data, other than the driver's license number, may be disclosed to a government entity and for natural resources management purposes, including recruitment, retention, and training certification and verification.

(b) Private data on individuals under paragraph (a) may be disclosed as follows:

(1) for use by any government agency, including a court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a federal, state, or local agency in carrying out its functions;

(2) for use in connection with matters of vehicle or operator safety and theft, emissions, product alterations, recalls or advisories, and performance monitoring;

(3) for use in the normal course of business by a legitimate business or its agents, employees, or contractors, in order to verify the accuracy of personal information submitted by an individual. If the information as submitted is not correct or is no longer correct, correct information may be obtained only for the purpose of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against the individual. If the person requesting access is acting as the agent of a lienholder, the requester must submit proof of a contract with the lienholder;

(4) for use in connection with any civil, criminal, administrative, or arbitration proceedings in any federal, state, or local court or agency or before any self-regulatory body, including service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, state, or local court, provided that the requester provides a copy of the court order;

(5) for use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities or antifraud activities. If the person requesting access is an agent of an insurance company, the requester must provide the insurance company's name;

(6) for use in providing notice to the owners of towed or impounded recreational vehicles or watercraft. The person requesting access must provide the name, address, and telephone number of the entity that requested that the recreational vehicle or watercraft be towed;

(7) for use by any licensed private investigative agency or licensed security service for any purpose permitted under this section, provided that the person provides a copy of a valid license; or

(8) where the use is related to the physical safety or security of operators, vehicles, pedestrians, or property.

The commissioner must not disclose data under this paragraph if the commissioner concludes that the requester is likely to use the data for an improper purpose or other purpose not authorized by this paragraph.

Sec. 4. Minnesota Statutes 2022, section 84.152, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) ~~An application for a wild rice dealer's license must be made under a written oath.~~ The ~~form of~~ application for a wild rice dealer's license application must include:

(1) the amount of wild rice, whether raw or processed, bought or sold by the applicant during the preceding calendar year;

(2) the amount of wild rice the applicant estimates will be bought or sold under the license; and

(3) other pertinent information required by the commissioner.

(b) The license fee must be paid in advance, based on the applicant's estimate. A license may not be issued for a fee based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.

Sec. 5. Minnesota Statutes 2022, section 84.788, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 12 months of the original registration and:

(1) the off-highway motorcycle was registered incorrectly by the commissioner or the deputy registrar; or

(2) the off-highway motorcycle was registered twice, once by the dealer and once by the customer.

Sec. 6. Minnesota Statutes 2022, section 84.798, subdivision 10, is amended to read:

Subd. 10. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 3, paragraph (b), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the off-road vehicle was registered incorrectly; or

(2) the off-road vehicle was registered twice, once by the dealer and once by the customer.

Sec. 7. Minnesota Statutes 2022, section 84.8035, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a person may not operate an off-road vehicle on a state or grant-in-aid off-road vehicle trail or use area unless the vehicle displays an off-road vehicle state trail pass ~~sticker~~ issued according to this section. The pass must be ~~viewable~~ available to be viewed by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of the fee. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-road vehicle organizations to construct and maintain off-road vehicle trails and use areas.

(c) An off-road vehicle state trail pass is not required for:

(1) an off-road vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.798, subdivision 2;

(2) a person operating an off-road vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a person operating an off-road vehicle that is registered according to section 84.798.

(d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The nonresident pass is valid from January 1 through December 31. The fee for a nonresident three-year pass is \$30.

(e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is valid for 30 consecutive days after the date of issuance.

Sec. 8. Minnesota Statutes 2022, section 84.82, subdivision 2a, is amended to read:

Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail use. A snowmobile registered under this subdivision may not be operated on a state or grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with an engine displacement that is greater than 125 cubic centimeters is \$45 for three years. A nontrail use registration is not transferable. In addition to other penalties prescribed by law, the penalty for violation of this subdivision is immediate revocation of the nontrail use registration. The commissioner shall ensure that the registration ~~sticker~~ provided for limited nontrail use is of a different color and is distinguishable from other snowmobile registration ~~and state trail stickers~~ provided.

Sec. 9. Minnesota Statutes 2022, section 84.82, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the snowmobile was registered incorrectly; or

(2) the snowmobile was registered twice, once by the dealer and once by the customer.

Sec. 10. Minnesota Statutes 2022, section 84.8205, is amended to read:

**84.8205 SNOWMOBILE STATE TRAIL ~~STICKER~~ PASS.**



Subdivision 1. **Sticker Pass required; fee.** (a) A snowmobile that is not registered in the state under section 84.82, subdivision 3, paragraph (a), or that is registered by a manufacturer or dealer under section 84.82, subdivision 3, paragraph (b) or (c), may not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state trail ~~sticker is affixed to the snowmobile~~ pass is available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a ~~sticker~~ pass upon application and payment of a fee. The fee is:

- (1) \$50 for a one-year snowmobile state trail ~~sticker~~ pass purchased by an individual; and
- (2) \$15 for a one-year snowmobile state trail ~~sticker~~ pass purchased by a dealer or manufacturer.

(c) In addition to other penalties prescribed by law, an individual in violation of this subdivision must purchase an annual state trail ~~sticker~~ pass for a fee of \$70. The ~~sticker~~ pass is valid from November 1 through June 30. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

(d) A state trail ~~sticker~~ pass is not required under this section for:

(1) a snowmobile that is owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof that is exempt from registration under section 84.82, subdivision 6;

(2) a collector snowmobile that is operated as provided in a special permit issued for the collector snowmobile under section 84.82, subdivision 7a;

(3) a person operating a snowmobile only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(4) a snowmobile while being used to groom a state or grant-in-aid trail.

**Subd. 2. ~~Placement of sticker.~~** The state trail ~~sticker~~ shall be permanently affixed to either:

(1) ~~the forward half of the snowmobile directly above or below the headlight of the snowmobile;~~

(2) ~~above the expiration year on the top portion of the snowmobile registration validation decal;~~  
or

(3) ~~the lower right corner of a registration plate issued to a dealer or manufacturer under section 84.82, subdivision 3.~~

Subd. 3. **License agents.** The commissioner may appoint agents to issue and sell state trail ~~stickers~~ passes. The commissioner may revoke the appointment of an agent at any time. The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for accounting and handling of ~~stickers~~ passes.

pursuant to section 97A.485, subdivision 11. An agent shall promptly deposit and remit all money received from the sale of the ~~stickers~~ passes, exclusive of the issuing fee, to the commissioner.

Subd. 4. **Issuing ~~stickers~~ passes.** The commissioner and agents shall issue and sell snowmobile state trail ~~stickers~~ passes.

Subd. 5. **Agent's fee.** In addition to the fee for a ~~sticker~~ pass, an issuing fee of \$1 per ~~sticker~~ pass shall be charged. The issuing fee may be retained by the seller of the ~~sticker~~ pass. Issuing fees for ~~stickers~~ passes issued by the commissioner shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and retained for the operation of the electronic licensing system.

Subd. 6. **Duplicate state trail ~~stickers~~ passes.** The commissioner and agents shall issue a duplicate ~~sticker~~ pass to persons whose ~~sticker~~ pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules promulgated thereunder. The fee for a duplicate state trail ~~sticker~~ pass is \$2, with an issuing fee of 50 cents.

Sec. 11. Minnesota Statutes 2022, section 84.83, subdivision 2, is amended to read:

Subd. 2. **Money deposited in account.** Fees from the registration of snowmobiles and from the issuance of snowmobile state trail ~~stickers~~ passes and the unrefunded gasoline tax attributable to snowmobile use pursuant to section 296A.18 shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account.

Sec. 12. Minnesota Statutes 2023 Supplement, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails that are determined by the commissioner to be part of the state's grant-in-aid system, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack. The commissioner may establish a performance-based funding formula for annual grants-in-aid. The procedures and criteria for grants-in-aid are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply. In administering the performance-based grants-in-aid, the commissioner must:

(i) determine annual grant amounts based on a funding formula that includes consideration of historical costs, snowfall, use, and tourism;

(ii) make grant payments based on:

(A) successful completion of performance benchmarks;

(B) reimbursement of eligible expenditures; or

(C) a combination of subitems (A) and (B); and

(iii) assess penalties to nonperforming grant-in-aid recipients, which may include withholding grant payments or making the grantee or trail system ineligible for future grant-in-aid funding;

(2) to acquire, develop, and maintain state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) to administer and enforce sections 84.81 to 84.9011 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue collected from snowmobile registration and snowmobile state trail ~~sticker~~ pass fees must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

Sec. 13. Minnesota Statutes 2022, section 84.922, subdivision 12, is amended to read:

Subd. 12. **Refunds.** The commissioner may issue a refund on a registration, not including any issuing fees paid under subdivision 2, paragraph (e), or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), if the refund request is received within 60 days of the original registration, the registration is not used or transferred, and:

(1) the vehicle was registered incorrectly; or

(2) the vehicle was registered twice, once by the dealer and once by the customer.

Sec. 14. Minnesota Statutes 2022, section 85.41, subdivision 1, is amended to read:

Subdivision 1. **Pass in possession.** While skiing on cross-country-ski trails, a person age 16 or over shall carry in immediate possession a valid, ~~signed~~ cross-country-ski pass. A landowner who grants an easement for a grant-in-aid ski trail is not required to have a pass when skiing on the landowner's property.

Sec. 15. Minnesota Statutes 2022, section 85.41, subdivision 4, is amended to read:

Subd. 4. **Issuance.** The commissioner and agents shall issue and sell cross-country-ski passes. The pass shall be with the skier and available for inspection by any peace or conservation officer. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner.

Sec. 16. Minnesota Statutes 2022, section 85.45, subdivision 1, is amended to read:

Subdivision 1. **Skiing without pass.** No person may ski on a cross-country-ski trail without a valid, ~~signed~~ cross-country-ski pass. Any person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 17. Minnesota Statutes 2022, section 85.46, subdivision 3, is amended to read:

Subd. 3. **Issuance.** The commissioner of natural resources and agents shall issue and sell horse passes. The pass shall include the applicant's ~~signature and other~~ information deemed necessary by the commissioner. To be valid, a daily or annual pass must be ~~signed by~~ issued to the person riding,

leading, or driving the horse, and a commercial annual pass must be ~~signed by~~ issued to the owner of the commercial riding facility.

Sec. 18. Minnesota Statutes 2022, section 86B.415, subdivision 11, is amended to read:

Subd. 11. **Refunds.** The commissioner may issue a refund on a license or title, not including any issuing fees paid under subdivision 8 or section 84.027, subdivision 15, paragraph (a), clause ~~(3)~~ (2), or 86B.870, subdivision 1, paragraph (b), if the refund request is received within 60 days of the original license or title, the license or title is not used or transferred, and:

- (1) the watercraft was licensed or titled incorrectly;
- (2) the customer was incorrectly charged a title fee; or
- (3) the watercraft was licensed or titled twice, once by the dealer and once by the customer.

Sec. 19. Minnesota Statutes 2022, section 97A.015, subdivision 3a, is amended to read:

Subd. 3a. **Bonus permit.** "Bonus permit" means a license to take ~~and tag~~ deer by archery or firearms, in addition to deer authorized to be taken under regular firearms or archery licenses, or a license issued under section 97A.441, subdivision 7.

Sec. 20. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 53a. **Validation.** "Validation" means the documentation process for taking a specific species under a license for that species, which can be completed electronically or on the corresponding paper license, permit, or endorsement to include information specified by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 97A.215, is amended by adding a subdivision to read:

Subd. 4. **Electronic devices.** During an inspection under subdivision 3, if a person uses an electronic device to display a document to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) it does not constitute consent for the officer to access other contents on the device.

Sec. 22. Minnesota Statutes 2022, section 97A.255, subdivision 5, is amended to read:

Subd. 5. **Joint and several liability.** When two or more people intentionally aid, advise, counsel, conspire with, or act in concert with each other to unlawfully take, transport, or possess wild animals when the restitution value of the wild animals exceeds \$500, each person is jointly and severally liable for the wild animals for purposes of:

- (1) license seizure, invalidation, and revocation under sections 97A.420 and 97A.421;
- (2) equipment and property seizure under section 97A.221;
- (3) boat, motor, and trailer seizure under section 97A.225; and

(4) restitution under section 97A.341.

Sec. 23. Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession:

(1) the proper paper license, ~~if the license has been issued to and received by the person;~~

(2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19;

(3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means ~~but the actual license has not been issued and received;~~ or

(4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer: (1) the proper paper license ~~if the license has been issued to and received by the person;~~ (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, ~~if the license has been sold to the person by electronic means but the actual license has not been issued and received;~~ or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), clauses (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) ~~A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license.~~ A pictorial migratory waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 24. Minnesota Statutes 2022, section 97A.405, subdivision 3, is amended to read:

Subd. 3. **Duplicate licenses.** The commissioner shall prescribe rules for issuing duplicate licenses to persons whose licenses are lost or destroyed. ~~A duplicate license may not be issued unless the applicant takes an oath covering the facts of loss or destruction of the license.~~

Sec. 25. Minnesota Statutes 2022, section 97A.405, subdivision 4, is amended to read:

Subd. 4. **Replacement deer licenses.** (a) The commissioner may permit licensed deer hunters to change zone, license, or season options. The commissioner may issue a replacement deer license if the applicant ~~submits the original deer license and unused tags that are being replaced and the applicant~~ pays any increase in cost between the original and the replacement deer license. A refund of the difference in fees may be issued when a person changes from a regular deer license to a youth deer license.

(b) A replacement deer license may be issued only if the applicant has not ~~used any tag from harvested a deer under the original deer license or licenses and meets the conditions of paragraph (c). The original deer license or licenses and all unused tags for the deer licenses being replaced must be submitted to the issuing agent at the time the replacement deer license is issued.~~

(c) A replacement deer license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

- (1) when the season for the deer license being surrendered has not yet opened; or
- (2) when the person is changing from a regular deer license to a youth deer license.

(d) Notwithstanding section 97A.411, subdivision 3, a replacement deer license is valid immediately upon issuance if the deer license being surrendered is valid at that time.

Sec. 26. Minnesota Statutes 2022, section 97A.405, subdivision 4a, is amended to read:

Subd. 4a. **Replacement turkey licenses.** (a) The commissioner may permit licensed turkey hunters to change permit areas, licenses, or time periods within the fall turkey season, or within the spring turkey season. The commissioner may issue a replacement turkey license if the applicant ~~submits the original turkey license and unused tags that are being replaced, and the applicant~~ pays the fee for a replacement license under section 97A.475, subdivision 44.

(b) A replacement turkey license may be issued only if the applicant has not ~~used the tag from harvested a turkey under the original turkey license and meets the requirements of paragraph (c). The original turkey licenses and all unused tags for the turkey licenses being replaced must be submitted to the issuing agent at the time the replacement turkey license is issued.~~

(c) A turkey replacement license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

- (1) when the permit area or time period for the turkey license being surrendered has not yet opened; and

(2) licenses are available for the replacement turkey license permit area or time period for (i) areas that are not lottery areas, (ii) lottery areas that have remaining licenses, or (iii) the applicant is a youth hunter age 17 or younger.

Sec. 27. Minnesota Statutes 2022, section 97A.420, as amended by Laws 2023, chapter 60, article 4, section 50, is amended to read:

**97A.420 SEIZURE OR INVALIDATION OF LICENSES.**

Subdivision 1. **Seizure or invalidation.** (a) An enforcement officer shall immediately seize or invalidate the license of a person who unlawfully takes, transports, or possesses wild animals when the restitution value of the wild animals exceeds \$500. Except as provided in subdivisions 2, 4, and 5, the person may not use or obtain any license to take the same type of wild animals involved, including a duplicate license, until an action is taken under subdivision 6. If the license seized or invalidated under this paragraph was for a big game animal, the license seizure or invalidation applies to all licenses to take big game issued to the individual. If the license seized or invalidated under this paragraph was for small game animals, the license seizure or invalidation applies to all licenses to take small game issued to the individual.

(b) In addition to the license seizure or invalidation under paragraph (a), if the restitution value of the wild animals unlawfully taken, possessed, or transported is \$1,000 or more, all other game and fish licenses held by the person shall be immediately seized or invalidated. Except as provided in subdivision 2, 4, or 5, the person may not obtain any game or fish license or permit, including a duplicate license, until an action is taken under subdivision 6.

(c) A person may not take wild animals covered by a license seized or invalidated under this subdivision until an action is taken under subdivision 6.

(d) The commissioner must make a means of seizing or invalidating and releasing a paperless license under this section available to enforcement officers.

Subd. 2. **Administrative review.** (a) At any time after the seizure or invalidation of a license under subdivision 1 and before revocation under section 97A.421, a person may request in writing a review of the seizure or invalidation under this section. Upon receiving the request for review, the commissioner shall review the seizure or invalidation, the evidence upon which it was based, and other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the seizure or invalidation.

(b) Within 15 days after receiving the request for administrative review, the commissioner shall issue a written report of the review and shall order that the seizure or invalidation be either sustained or rescinded.

(c) The review provided in this subdivision is not subject to the contested case provisions of the Administrative Procedure Act under chapter 14. The availability of administrative review does not preclude judicial review under this section.

Subd. 3. **Judicial review.** (a) Within 30 days following the seizure or invalidation of a license under subdivision 1, a person may petition the court for review. The petition must be filed with the district court administrator in the county where the incident occurred, together with proof of service

of a copy on the commissioner and the county attorney. A responsive pleading is not required of the commissioner of natural resources and court fees may not be charged for the appearance of the representative of the commissioner in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state specifically the grounds upon which the petitioner seeks rescission of the license seizure or invalidation.

(c) The filing of the petition does not stay the license seizure or invalidation. The judicial review shall be conducted according to the Rules of Civil Procedure.

Subd. 4. **Hearing.** (a) A hearing under subdivision 3 must be before a district court judge in the county where the incident occurred giving rise to the license seizure or invalidation. The hearing must be to the court and may be conducted at the same time as hearings upon pretrial motions in a related criminal prosecution. The commissioner must be represented by the county attorney.

(b) The hearing must be held at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review.

(c) The scope of the hearing must be limited to the issue of whether there is probable cause to believe that the person had unlawfully taken, possessed, or transported wild animals with a restitution value over \$500.

(d) The court shall order that the license seizure or invalidation be either sustained or rescinded. Within 14 days following the hearing, the court shall forward a copy of the order to the commissioner.

(e) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Civil Appellate Procedure.

Subd. 5. **Temporary release of commercial licenses.** At any time during the period that a game or fish license is seized or invalidated under subdivision 1, a person possessing a commercial license issued under the game and fish laws may make a written request to the commissioner to temporarily release the commercial license. If the commissioner determines that the public welfare will not be injured, the commissioner may temporarily reinstate the commercial license upon payment of a temporary reinstatement fee of \$1,000 cash or bond in favor of the state for each commercial license to be released. An additional fee is not required for vehicles licensed under section 97A.475, subdivision 26, clause (2) or (4). If the license is returned under subdivision 6, paragraph (a), the temporary reinstatement fee shall be returned to the licensee. If the license is revoked under subdivision 6, paragraph (b), the temporary reinstatement fee shall be deposited in the game and fish fund and is not refundable.

Subd. 6. **Return or revocation of licenses upon dismissal or conviction.** (a) Upon acquittal, dismissal, or determination not to charge a person for a violation, the license seizure or invalidation under subdivision 1 is immediately rescinded and any license seized or invalidated in connection with the incident must be returned to the licensee or reinstated.

(b) Upon conviction of a violation when the restitution value of the wild animals exceeds \$500, revocation of licenses and license privileges must be imposed as provided under section 97A.421, subdivision 2a.



Sec. 28. Minnesota Statutes 2022, section 97A.445, is amended by adding a subdivision to read:

Subd. 6. **License system.** In the event of a disruption in the availability of hunting and angling licenses, the commissioner may publish in the State Register a notice that exempts residents and nonresidents from requirements to possess a license to take game or fish.

Sec. 29. Minnesota Statutes 2022, section 97A.473, subdivision 1, is amended to read:

Subdivision 1. **Resident lifetime licenses authorized.** (a) The commissioner may issue a lifetime angling license, a lifetime spearing license, a lifetime angling and spearing license, a lifetime small-game-hunting license, a lifetime firearm or archery deer-hunting license, a lifetime sporting license, or a lifetime sporting with spearing option license to a person who is a resident of the state for at least one year or who is under age 21 and the child of a person who is a resident of the state for at least one year. The license fees paid for a lifetime license are nonrefundable.

(b) The commissioner may require the holder of a lifetime license issued under this section to notify the department each year that the license is used, by:

- (1) telephone or Internet notification, as specified by the commissioner;
- (2) the purchase of stamps for the license; or
- (3) registration ~~and tag issuance~~, in the case of the resident lifetime deer license.

Sec. 30. Minnesota Statutes 2022, section 97A.473, subdivision 3, is amended to read:

Subd. 3. **Lifetime small-game-hunting license; fee.** (a) A resident lifetime small-game-hunting license authorizes a person to hunt and trap small game, other than wolves, in the state. The license authorizes those hunting and trapping activities authorized by the annual resident small-game-hunting license and the trapping license for fur-bearing animals other than wolves. The license does not include ~~a turkey stamp validation or any other~~ hunting stamps required by law.

(b) The fees for a resident lifetime small-game-hunting license are:

- (1) age 3 and under, \$223;
- (2) age 4 to age 15, \$301;
- (3) age 16 to age 50, \$430; and
- (4) age 51 and over, \$274.

Sec. 31. Minnesota Statutes 2022, section 97A.473, subdivision 4, is amended to read:

Subd. 4. **Lifetime deer-hunting license; fee.** (a) A resident lifetime deer-hunting license authorizes a person to take deer with firearms or by archery in the state. The license authorizes those activities authorized by the annual resident firearm deer-hunting license or the annual resident archery deer-hunting license. The licensee must register and receive tags ~~review and confirm information~~ each year that the license is used. ~~The tags shall be issued at no charge to the licensee.~~

(b) The fees for a resident lifetime firearm or archery deer-hunting license are:

- (1) age 3 and under, \$458;
- (2) age 4 to age 15, \$607;
- (3) age 16 to age 50, \$741; and
- (4) age 51 and over, \$528.

Sec. 32. Minnesota Statutes 2022, section 97A.473, subdivision 5, is amended to read:

Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license authorizes a person to take fish by angling and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation,~~ a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting license are:

- (1) age 3 and under, \$522;
- (2) age 4 to age 15, \$710;
- (3) age 16 to age 50, \$927; and
- (4) age 51 and over, \$603.

Sec. 33. Minnesota Statutes 2022, section 97A.473, subdivision 5a, is amended to read:

Subd. 5a. **Lifetime sporting with spearing option license; fee.** (a) A resident lifetime sporting with spearing option license authorizes a person to take fish by angling or spearing and hunt and trap small game, other than wolves, in the state. The license authorizes those activities authorized by the annual resident angling, spearing, and resident small-game-hunting licenses and the resident trapping license for fur-bearing animals other than wolves. The license does not include a trout-and-salmon stamp validation, ~~a turkey stamp validation,~~ a walleye stamp validation, or any other ~~hunting~~ stamps required by law.

(b) The fees for a resident lifetime sporting with spearing option license are:

- (1) age 3 and under, \$612;
- (2) age 4 to age 15, \$833;
- (3) age 16 to age 50, \$1,046; and
- (4) age 51 and over, \$666.

Sec. 34. Minnesota Statutes 2022, section 97A.474, subdivision 3, is amended to read:

Subd. 3. **Nonresident lifetime small-game-hunting license; fee.** (a) A nonresident lifetime small-game-hunting license authorizes a person to hunt small game in the state. The license authorizes those hunting activities authorized by the annual nonresident small-game-hunting license. The license does not include ~~a turkey stamp validation or any other~~ hunting stamps required by law.

(b) The fees for a nonresident lifetime small-game-hunting license are:

- (1) age 3 and under, \$947;
- (2) age 4 to age 15, \$1,280;
- (3) age 16 to age 50, \$1,633; and
- (4) age 51 and over, \$1,083.

Sec. 35. Minnesota Statutes 2022, section 97A.481, is amended to read:

**97A.481 LICENSE APPLICATIONS; PENALTY.**

All information required on a license application form must be furnished. ~~The application must be made in writing and~~ applicant is subject to the penalty prescribed in section 97A.301, subdivision 1, clause (5).

Sec. 36. Minnesota Statutes 2022, section 97A.485, subdivision 6, is amended to read:

Subd. 6. **Licenses to be sold and issuing fees.** (a) Persons authorized to sell licenses under this section must issue the following licenses for the license fee and the following issuing fees:

- (1) to take deer or bear with firearms and by archery, the issuing fee is \$1;
- (2) Minnesota sporting, the issuing fee is \$1;
- (3) to take small game, to take fish by angling or by spearing, and to trap fur-bearing animals, the issuing fee is \$1;
- (4) to apply for a limited hunt drawing, the issuing fee is \$1 unless the application requires a license purchase at the time of application and the license purchase requires an application fee;
- (5) for a prairie-chicken license, the issuing fee is \$1;
- (6) for a turkey license, the issuing fee is \$1;
- (7) for an elk license, the issuing fee is \$1;
- (8) for a moose license, the issuing fee is \$1;
- (9) for a wolf license, the issuing fee is \$1;
- (10) for a stamp validation that is not issued simultaneously with a license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller;

(11) for stamp validations issued simultaneously with a license, there is no fee;

(12) for licenses, seals, tags, or coupons issued without a fee under section 97A.441, subdivisions 1 to 6a, or 97A.465, there is no fee;

(13) for lifetime licenses, there is no fee; and

(14) for all other licenses, permits, renewals, or applications or any other transaction through the electronic licensing system under this chapter or any other chapter when an issuing fee is not specified, an issuing fee of \$1 may be charged at the discretion of the authorized seller.

(b) Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The agent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) For duplicate licenses, including licenses issued without a fee, the issuing fees are:

(1) for licenses to take big game, 75 cents; and

(2) for other licenses, 50 cents.

~~(g) The commissioner may issue one-day angling licenses in books of ten licenses each to fishing guides operating charter boats upon receipt of payment of all license fees, excluding the issuing fee required under this section. Copies of sold and unsold licenses shall be returned to the commissioner. The commissioner shall refund the charter boat captain for the license fees of all unsold licenses. Copies of sold licenses shall be maintained by the commissioner for one year.~~

Sec. 37. Minnesota Statutes 2022, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. **Tags Validation required.** (a) A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner the person has the required license and validation for that animal as prescribed by the commissioner. ~~The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner.~~

(b) The tag license must be validated at the site of the kill as prescribed by the commissioner.

~~(c) Except as otherwise provided in this section, the tag must be attached to the deer, bear, elk, or moose at the site of the kill before the animal is removed from the site of the kill.~~

~~(d) The tag must remain attached to the animal until the animal is processed for storage.~~

~~(e) A person may move a lawfully taken deer, bear, elk, or moose from the site of the kill without attaching the validated tag to the animal only while in the act of manually or mechanically dragging,~~

~~carrying, or carting the animal across the ground and while possessing the validated tag on their person. A motor vehicle may be used to drag the animal across the ground. At all other times, the validated tag must be attached to the deer, bear, elk, or moose:~~

~~(1) as otherwise provided in this section; and~~

~~(2) prior to the animal being placed onto and transported on a motor vehicle, being hung from a tree or other structure or device, or being brought into a camp or yard or other place of habitation.~~

Sec. 38. Minnesota Statutes 2022, section 97A.535, subdivision 2, is amended to read:

Subd. 2. **Registration required.** Deer, bear, elk, and moose must be registered as prescribed by the commissioner, ~~in addition to the tag required in subdivision 1.~~

Sec. 39. Minnesota Statutes 2022, section 97A.535, subdivision 2a, is amended to read:

Subd. 2a. **Quartering deer allowed.** A deer that has been ~~tagged~~ validated as required in subdivision 1 may be quartered at the site of the kill. The animal's head must remain attached to one of the quarters. The quarters must be presented together for registration under subdivision 2 and must remain together until the deer is processed for storage.

Sec. 40. Minnesota Statutes 2022, section 97A.535, subdivision 4, is amended to read:

Subd. 4. **Transporting by person other than licensee.** A person other than the licensee may transport deer, bear, elk, or moose that the licensee has registered as prescribed by the commissioner. ~~A tag must be attached to the animal and marked in ink.~~ The person transporting the animal must possess documentation with the address, license number, signature and full legal name of the licensee, and the locations from which and to which the animal is being transported.

Sec. 41. Minnesota Statutes 2022, section 97A.551, subdivision 6, is amended to read:

Subd. 6. ~~**Tagging and Registration.**~~ The commissioner may, by rule, require persons taking, possessing, and transporting certain species of fish to ~~tag the fish with a special fish management tag and may require registration of tagged~~ possess an endorsement for and register the fish. A person may not possess or transport a fish species taken in the state for which a special fish-management ~~tag registration~~ is required unless ~~a tag is attached to the fish~~ is registered or validated in a manner prescribed by the commissioner. The commissioner shall prescribe the manner of issuance and the type of ~~tag endorsement~~ as authorized under section 97C.087. ~~The tag must be attached to the fish as prescribed by the commissioner.~~ Immediately upon reducing the fish to possession, the licensee must validate the license and the license must remain attached to with the fish until the fish is processed or consumed. registered. Species for which a special fish management ~~tag registration~~ is required must be transported undressed, except as otherwise prescribed by the commissioner.

Sec. 42. Minnesota Statutes 2022, section 97B.303, is amended to read:

#### **97B.303 VENISON DONATIONS.**

An individual who legally takes a deer may donate the deer, for distribution to charitable food assistance programs, to a meat processor that is licensed under chapter 28A. An individual donating

a deer must supply the processor with the ~~tag~~ licensee's DNR number under which the deer was taken.

Sec. 43. Minnesota Statutes 2022, section 97B.401, is amended to read:

**97B.401 BEAR LICENSE REQUIRED; APPLICATION.**

(a) A person may not take bear without a bear license except as provided in section 97B.415 to protect property.

(b) A person may not place bait for bears on or after the Friday nearest August 14 unless the person has a bear license or is operating under the direction of a person with a valid bear license.

(c) An application for a bear license must be ~~on a form provided~~ made in the manner prescribed by the commissioner and accompanied by a \$4 application fee. A person may not make more than one application for each season. If a person makes more than one application, the person is ineligible for a license for that season after determination by the commissioner, without a hearing.

Sec. 44. Minnesota Statutes 2022, section 97B.603, is amended to read:

**97B.603 TAKING SMALL GAME BY PARTY.**

(a) While two or more persons are taking small game as a party and maintaining unaided visual and vocal contact, a member of the party may take and possess more than one limit of small game, but the total number of small game taken and possessed by the party may not exceed the limit of the number of persons in the party that may take and possess small game.

(b) This section does not apply to hunting wolves, migratory game birds, or turkeys, except that a licensed turkey hunter may assist another licensed turkey hunter and a licensed wolf hunter may assist another licensed wolf hunter for the same zone and time period as long as the hunter does not shoot or ~~tag~~ register a turkey or wolf for the other hunter.

Sec. 45. Minnesota Statutes 2022, section 97B.716, subdivision 2, is amended to read:

Subd. 2. **Tagging and Registration.** The commissioner may by rule prescribe requirements for the ~~tagging and~~ registration of prairie chickens.

Sec. 46. Minnesota Statutes 2022, section 97B.721, is amended to read:

**97B.721 LICENSE REQUIRED TO TAKE TURKEY; ~~TAGGING AND~~ REGISTRATION REQUIREMENTS.**

(a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person may not take a turkey without possessing a turkey license.

(b) An unlicensed adult age 18 or older may assist a licensed wild-turkey hunter. The unlicensed adult may not shoot or possess a firearm or bow while assisting a hunter under this paragraph and may not charge a fee for the assistance.

(c) The commissioner may by rule prescribe requirements for the tagging validation and registration of turkeys.

Sec. 47. Minnesota Statutes 2022, section 97C.087, is amended to read:

**97C.087 SPECIAL FISH MANAGEMENT TAGS REGISTRATION.**

Subdivision 1. ~~Tags to be issued~~ **Registration.** If the commissioner determines it is necessary to require that a species of fish be ~~tagged with a special fish management tag registered~~, the commissioner shall prescribe, by rule, the species to be ~~tagged registered~~, tagging registration procedures, and endorsement eligibility requirements.

Subd. 2. **Application for tag endorsement.** Application for a special fish management ~~tags endorsement~~ must be accompanied by a \$5, nonrefundable application fee for each ~~tag endorsement~~. A person may not make more than one ~~tag endorsement~~ application each calendar year. If a person makes more than one application, the person is ineligible for a special fish management ~~tag endorsement~~ for that calendar year after determination by the commissioner, without a hearing.

Sec. 48. Minnesota Statutes 2022, section 97C.301, subdivision 2a, is amended to read:

Subd. 2a. **Aquatic invasive species affirmation.** (a) A nonresident license to take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species affirmation as provided in section 84D.106.

(b) The aquatic invasive species affirmation portion of the license must be displayed with the ~~signed~~ nonresident license to take fish issued under section 97A.475, subdivision 7. The aquatic invasive species affirmation will be provided at the time of purchase of a new or duplicate nonresident license.

(c) If a license is purchased online, the aquatic invasive species affirmation may be completed electronically as part of the online sales process, and the electronic record of the license sale is sufficient for documenting the affirmation.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

Sec. 49. Minnesota Statutes 2022, section 97C.355, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) A person may not place a dark house, fish house, or shelter, except a portable shelter, on the ice unless ~~the house or shelter~~:

(1) the house or shelter is licensed by the shelter owner; and

(2) ~~has the license tag attached to the exterior in a readily visible location, except as provided in this subdivision~~ the owners' information is displayed according to subdivision 1.

(b) ~~The commissioner must issue a tag with a dark house, fish house, or shelter license, marked with a number to correspond with the license and the year of issue.~~ A dark house, fish house, or shelter license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.

Sec. 50. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules conforming to this article. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section, except as provided under Minnesota Statutes, section 14.388.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, sections 97A.015, subdivision 27a; and 97A.485, subdivision 13, are repealed.

Sec. 52. **EFFECTIVE DATE.**

Sections 1 to 51 are effective upon full implementation of the replacement electronic license system. The commissioner of natural resources must notify the revisor of statutes when the replacement electronic license system is fully implemented.

## ARTICLE 2

### BOARD OF WATER AND SOIL RESOURCES

Section 1. Minnesota Statutes 2022, section 103B.101, subdivision 13, is amended to read:

Subd. 13. **Drainage stakeholder coordination.** (a) The Board of Water and Soil Resources shall work with drainage stakeholders to foster mutual understanding and provide recommendations for drainage system management and related water management, including recommendations for updating the drainage law in chapter 103E, the Minnesota Public Drainage Manual, and other related provisions. The board may convene informal working groups or work teams to develop information, education, and recommendations.

(b) For the purposes of this subdivision, the Minnesota Public Drainage Manual is a publication that is prepared by and adopted by the board and that includes explanations, procedures, and guidance consistent with and supplementing the provisions of chapter 103E. The manual must include best management practices and be prepared in consultation with drainage stakeholders according to paragraph (a) for use by drainage authorities in carrying out statutory duties.

Sec. 2. Minnesota Statutes 2022, section 103C.005, is amended to read:

#### **103C.005 SOIL AND WATER CONSERVATION POLICY.**

Maintaining and enhancing the quality of soil and water for the environmental and economic benefits they produce, preventing degradation, and restoring degraded soil and water resources of this state contribute greatly to the health, safety, economic well-being, and general welfare of this state and its citizens. Land occupiers have the responsibility to implement practices that conserve the soil and water resources of the state. Soil and water conservation measures implemented on private lands in this state provide benefits to the general public by reducing erosion, sedimentation, siltation, water pollution, and damages caused by floods. The soil and water conservation policy of



the state is to encourage land occupiers to conserve soil, water, and the natural resources they support through the implementation of practices that:

(1) control or prevent erosion, sedimentation, siltation, and related pollution in order to preserve natural resources;

(2) ensure continued soil health, as defined under section 103C.101, subdivision 10a, and soil productivity;

(3) protect water quality;

(4) prevent impairment of dams and reservoirs;

(5) reduce damages caused by floods;

(6) preserve wildlife;

(7) protect the tax base; and

(8) protect public lands and waters.

Sec. 3. Minnesota Statutes 2022, section 103C.221, is amended to read:

**103C.221 CHANGING LOCATION OF PRINCIPAL OFFICE.**

The location of the principal office of the district ~~board~~ may be changed ~~with the approval of the state board~~ after the adoption of a resolution by a majority of the district board stating the new location within the district and by filing a certified copy of the resolution with the secretary of state.

Sec. 4. Minnesota Statutes 2022, section 103C.331, subdivision 3, is amended to read:

Subd. 3. **Surveys, investigations, and research.** A district may conduct surveys, investigations, and research to identify the problems and preventive practices specified in section ~~103A.206~~ 103C.005. ~~To avoid duplication of research activities, no district shall initiate any research program except in cooperation with a state agency or an agency of the United States.~~

Sec. 5. Minnesota Statutes 2022, section 103C.331, subdivision 5, is amended to read:

Subd. 5. **Demonstration projects.** A district may conduct demonstration projects within the district on lands owned or administered by a state agency, with the cooperation of the administering agency, and on other lands with the consent of the land occupier, to demonstrate practices which implement the state policy specified in section ~~103A.206~~ 103C.005.

Sec. 6. Minnesota Statutes 2022, section 103C.331, subdivision 6, is amended to read:

Subd. 6. **Implementing practices.** A district may implement any necessary practices within the district, including structural measures and works of improvement ~~for any purpose specified in section 103A.206, methods of cultivation, the use of vegetation, and changes in use of land~~ to achieve the purposes of this chapter and fulfill other statutory responsibilities, on:

(1) lands acquired by the district;

(2) lands owned or administered by a ~~state~~ public agency, with the cooperation of the administering agency; and

(3) other lands, with the consent of the land occupier.

Sec. 7. Minnesota Statutes 2022, section 103C.331, subdivision 7, is amended to read:

Subd. 7. **Implementing soil and water conservation policy.** A district may cooperate or enter into agreements with and furnish financial or other aid to a land occupier or appropriate agency; to implement ~~the policy specified in section 103A.206, within the district~~ this chapter and fulfill other statutory responsibilities, subject to conditions the district board determines ~~is~~ are necessary.

Sec. 8. Minnesota Statutes 2022, section 103C.331, subdivision 8, is amended to read:

Subd. 8. **Acquiring and maintaining property.** A district may acquire any rights or interests in real or personal property by option, purchase, exchange, lease, gift, grant, bequest, devise, or otherwise. It may maintain, operate, administer, and improve any properties acquired. It may receive income from the properties and expend the income to implement this chapter and ~~sections 103F.401 to 103F.455~~ fulfill other statutory responsibilities. It may sell, lease, or otherwise dispose of any of its property or interests.

Sec. 9. Minnesota Statutes 2022, section 103C.331, subdivision 9, is amended to read:

Subd. 9. **Using machinery and supplies.** A district may make available, on terms it ~~shall prescribe~~ prescribes, to land occupiers within the district; agricultural and engineering machinery and equipment, fertilizer, seeds, ~~and~~ seedlings, and other material or equipment ~~which will assist that helps~~ land occupiers to implement practices on their land specified in section 103C.005 to implement this chapter and fulfill other statutory responsibilities.

Sec. 10. Minnesota Statutes 2022, section 103C.331, subdivision 10, is amended to read:

Subd. 10. **Constructing improvements.** A district may construct, install, improve, maintain, and operate structures and works necessary or convenient to perform an operation authorized under this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 11. Minnesota Statutes 2022, section 103C.331, subdivision 11, is amended to read:

Subd. 11. **Comprehensive plan.** (a) A district may develop and revise a comprehensive plan; ~~specifying practices to implement the state policy specified in section 103A.206, including~~ fulfill statutory responsibilities. The plan may include:

- (1) the construction, maintenance, and operation of structural measures;
- (2) methods of cultivation;
- (3) the use of vegetation;
- (4) cropping programs;
- (5) mechanical practices;

- (6) changes in use of land;
- (7) water quality improvement practices;
- (8) other land use, soil erosion reduction, and agricultural practices; ~~and~~
- (9) related technical standards and specifications; and
- (10) other practices, projects, programs, and systems to fulfill statutory responsibilities.

~~(b) The plan shall include a classification of the soil types within the district as determined by the Minnesota Cooperative Soil Survey.~~

~~(c) The plan must identify the areas within the district where erosion, sedimentation, and related water quality problems appear most in need of control methods.~~

~~(d) (b) The plan shall must be consistent with the statewide framework water resources plan, the statewide water quality management plan, and the state board's soil and water program plan frameworks as provided in chapter 103B.~~

~~(e) Each district that applies for cost-sharing funds under section 103C.501 shall submit to the state board an annual work plan for the high priority erosion, sedimentation, and water quality problems in the district. The work plan shall be prepared as required by the rules of the state board. In preparing the annual work plan, the district shall actively identify and seek out land occupiers with high priority erosion problems who have not participated in cost-sharing contracts and encourage their participation in programs to control their erosion problems.~~

(c) At least 60 days before submitting the plan to the state board, the district must hold a public hearing on the plan and provide notice of the hearing via the district's website. The district must give notice of the hearing to the county and all affected cities and towns. To allow for public input, the district must also administer a review and comment period of at least 30 days before submitting the plan.

(d) The district must submit the plan to the state board for review and approval before adopting the plan at a district meeting.

Sec. 12. Minnesota Statutes 2022, section 103C.331, subdivision 12, is amended to read:

Subd. 12. **Assuming other conservation projects.** (a) A district may take over by purchase, lease, or otherwise, and may improve, maintain, operate, and administer a soil or water conservation, erosion-control, erosion-prevention, water quality improvement, watershed protection, flood prevention, or flood control project in its boundaries undertaken by the United States or by a state public agency.

(b) A district may accept donations, gifts, grants, or contributions in money, services, materials, or otherwise from the United States, a state public agency, or other source to accomplish ~~the authorization in this section~~ statutory responsibilities. A ~~board~~ district may enter into a contract or agreement necessary or appropriate to accomplish the transfer. A ~~board~~ district may use or expend money, services, materials, or other things to accomplish an authorized purpose.

Sec. 13. Minnesota Statutes 2022, section 103C.331, subdivision 13, is amended to read:

Subd. 13. **Authority to sue and contract.** A district may sue and be sued in its name, have perpetual succession unless terminated as provided in section 103C.225, make and execute contracts and other instruments necessary or convenient to the exercise of its powers, and make, amend, or repeal rules and regulations consistent with this chapter and ~~sections 103F.401 to 103F.455~~ other statutory authority.

Sec. 14. Minnesota Statutes 2022, section 103C.331, subdivision 14, is amended to read:

Subd. 14. **Compensation for work or projects.** As a condition for extending benefits for the performance of work, including operations and maintenance, upon lands not owned or administered by a state public agency or the district, the supervisors district may require compensation or contributions in money, services, materials, or otherwise, commensurate with the cost or reasonable value of the operations or work conferring the benefits.

Sec. 15. Minnesota Statutes 2022, section 103C.331, subdivision 15, is amended to read:

Subd. 15. **Agreements for state or federal assistance.** (a) A district may ~~submit an application apply for~~ and enter into an agreement or contract ~~with the secretary of agriculture or other designated authority~~ to obtain or use state or federal funding or assistance under any law providing for state or federal funding or assistance for an authorized purpose of the district.

(b) A district may:

(1) acquire ~~without cost to the federal government~~ any land, easements, or rights-of-way needed in connection with works of improvement installed with federal or state assistance or funding;

(2) assume the proportionate share of the cost of installing works of improvement involving state or federal funding or assistance ~~determined by the secretary or other designated authority to be that is~~ equitable in consideration of anticipated benefits from the improvements;

(3) ~~make arrangements satisfactory to the secretary or other authority~~ arrange to defray costs of operating and maintaining works of improvement in accordance with prescribed regulations;

(4) acquire or provide assurance that land occupiers have acquired the water rights and other rights, pursuant to state law, needed to install, maintain, and operate the works of improvement; and

(5) obtain agreements to carry out recommended soil and water conservation measures and prepare farm plans for owners of not less than 50 percent or other required percentage of the lands situated in a drainage area above a retention reservoir installed with federal assistance, as prescribed by applicable federal law, and may do any other acts necessary to secure and use federal aid.

Sec. 16. Minnesota Statutes 2022, section 103C.331, subdivision 16, is amended to read:

Subd. 16. **Budget.** The district ~~board~~ shall annually present a budget consisting of an itemized statement of district expenses for the ensuing calendar year to the boards of county commissioners of the counties in which the district is located. The county boards may levy an annual tax on all taxable real property in the district for the amount that the boards determine is necessary to meet the requirements of the district. The amount levied shall be collected and distributed to the district

as prescribed by chapter 276. The amount may be spent by the district ~~board~~ for a district purpose authorized by law.

Sec. 17. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 21. **Water and soil resource management.** A district may initiate, construct, operate, and maintain water and soil resource management practices, projects, programs, and systems within the boundaries of the district and use, supplement, or otherwise coordinate contributions from state, federal, Tribal, or local governments and private entities for similar purposes.

Sec. 18. Minnesota Statutes 2022, section 103C.331, is amended by adding a subdivision to read:

Subd. 22. **Loans.** The district may obtain loans when the district determines it is prudent to accomplish its statutory duties.

Sec. 19. Minnesota Statutes 2022, section 103D.011, subdivision 10, is amended to read:

Subd. 10. **Engineer.** "Engineer" means ~~the~~ a licensed professional engineer as described in section 326.02 and designated by the managers to act as engineer. The board of managers or the engineer may work in cooperation with other licensed professionals as described in section 326.02 in the planning and design of a watershed district project.

Sec. 20. Minnesota Statutes 2022, section 103D.201, subdivision 2, is amended to read:

Subd. 2. **Specific purposes.** A watershed district may be established for and use its powers to advance any of the following purposes:

- (1) to control or alleviate damage from floodwaters to promote climate resilience;
- (2) to ~~protect, improve stream channels,~~ or restore watercourses and water basins for drainage, navigation, water quality, flood mitigation, and any other public purpose;
- (3) to ~~reclaim~~ manage impacts to, restore, or fill replace wet and overflowed land;
- (4) to provide a water supply for irrigation;
- (5) to regulate and conserve the flow of ~~streams and conserve the streams' water~~ watercourses;
- (6) to ~~divert or change all or part of~~ watercourses;
- (7) ~~(6)~~ to provide or conserve water supply for domestic, industrial, recreational, agricultural, or other public use;
- (8) ~~(7)~~ to provide for sanitation and public health; and regulate the use of streams, ditches, or watercourses to dispose of waste;
- (9) ~~(8)~~ to repair, improve, relocate, modify, consolidate, and abandon all or part of drainage systems within a watershed district;

~~(10)~~ (9) to control or alleviate soil erosion and siltation of watercourses or water basins;

~~(11)~~ (10) to regulate improvements by riparian property owners of the beds, banks, and shores of lakes, streams, and wetlands for preservation and beneficial public use;

~~(12)~~ (11) to provide for hydroelectric power generation;

~~(13)~~ (12) to protect or enhance the water quality in watercourses or water basins; ~~and~~

~~(14)~~ (13) to provide for the protection of groundwater and regulate its use to preserve it for beneficial purposes; and

(14) to otherwise manage and protect surface waters and groundwaters for any beneficial purpose.

Sec. 21. Minnesota Statutes 2022, section 103D.205, subdivision 4, is amended to read:

Subd. 4. **Filing establishment petitions.** The petitioners must file a copy of the establishment petition with the auditors of the counties affected by the proposed watershed district; and the commissioner, and the director. The original establishment petition, with a signed statement of delivery or receipt for each of the establishment petitions submitted to the auditors of affected counties, ~~the commissioners, and the directors,~~ director must be filed with the board.

Sec. 22. Minnesota Statutes 2022, section 103D.251, subdivision 5, is amended to read:

Subd. 5. **Petition signatures.** (a) A petition for a watershed boundary change must be signed by:

(1) at least one-half of the counties within the proposed watershed district if the boundary change were adopted;

(2) counties having at least 50 percent of the area within the proposed watershed district if the boundary change were adopted;

(3) a majority of the cities within the proposed watershed district if the boundary change were adopted;

(4) at least 50 resident owners or 50 percent of resident owners, whichever is less, in the proposed watershed district if the area to be added or removed by the proposed boundary change if it were adopted, excluding resident owners within the corporate limits of a city, if the city has signed the petition; or

(5) the managers of a watershed district affected by the proposed boundary change.

(b) The managers must pass a resolution authorizing the boundary change before the managers sign a petition for a boundary change.

Sec. 23. Minnesota Statutes 2022, section 103D.251, subdivision 6, is amended to read:

Subd. 6. **Hearing.** The board must set a time and location for a hearing and give notice of the hearing in the same manner as an establishment hearing. The board must also give notice of the

hearing by mail at least ten days before the hearing to the watershed district affected by the proposed boundary change. If a petition for a boundary change involves a common boundary of two or more watershed districts, the board must determine the watershed district where the hearing will be held.

Sec. 24. Minnesota Statutes 2022, section 103D.255, is amended to read:

**103D.255 WITHDRAWING TERRITORY.**

Subdivision 1. **Petition.** (a) Proceedings to withdraw territory from an existing watershed district must be initiated by a petition filed with the board.

(b) A majority of the managers may file a petition for withdrawal. Otherwise, the required signatures on a petition for withdrawal are the same as prescribed for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be withdrawn from the watershed district.

(c) The petition must state that:

(1) the territory described has not received or will not receive any benefits from the operation of the watershed districts;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(d) The petition must request the release of the described territory from the watershed district.

(e) The petition must be served on the board and any affected watershed district, and the board shall proceed as prescribed for an establishment petition. The requirements for notices and public hearings are as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed withdrawal of territory.

Subd. 2. **Board's order of withdrawal.** (a) After the hearing, the board may issue an order releasing the territory, or a part of the territory, as described in the petition, if the board determines that:

(1) the territory described in the petition has not received and will not receive any benefit from the operation of the watershed district;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(b) Property may not be released that has been determined subject to benefits or damages for a project previously constructed.

(c) Property released remains liable for the proportionate share of any indebtedness existing at the time of the order. Levies on the property released continue in force until fully paid.

(d) If the board determines that the order prescribing the distribution of managers should be amended following the withdrawal of any territory, the board may direct redistribution of managers in the order authorizing the withdrawal.

(e) The board must file a certified copy of the findings and order of withdrawal with the secretary of state, the auditor of each county affected by the watershed district, the commissioner, and the watershed district.

Sec. 25. Minnesota Statutes 2022, section 103D.261, subdivision 1, is amended to read:

Subdivision 1. **Petition.** (a) Proceedings to enlarge an existing watershed district must be initiated by a petition filed with the board. A majority of the managers may file a petition. Otherwise, the required signatures on a petition to enlarge are the same as for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be added to the watershed district. The petition must:

(1) state that the area to be added is contiguous to the existing watershed district;

(2) state that the area can be feasibly administered by the managers of the existing watershed district;

(3) state reasons why adding the area to the existing watershed district would be conducive to the public health and welfare;

(4) include a map of the affected area;

(5) state the name of the proposed enlarged watershed district, if other than that of the existing watershed district; and

(6) state a request for the addition of the proposed territory.

(b) The petition must be served on the board and affected watershed districts, and the board must proceed as prescribed for an establishment petition.

(c) The requirement of notice and public hearings is as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed enlargement.

Sec. 26. Minnesota Statutes 2022, section 103D.261, subdivision 2, is amended to read:

Subd. 2. **Board order.** (a) After the hearing, if the board determines that the enlargement of the watershed district as asked for in the petition would be for the public welfare and public interest and the purpose of this chapter would be served, the board shall, by making findings and an order, enlarge the watershed district and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district.



(b) The name of the watershed district may be changed by order of the board if requested in the petition to enlarge the watershed district.

Sec. 27. Minnesota Statutes 2022, section 103D.271, subdivision 7, is amended to read:

Subd. 7. **Termination hearing order.** When the board determines a termination petition has been filed that meets the requirements of subdivisions 4 and 5, the board must, by order, ~~set a time by within 35 days after~~ set a time and a location within the watershed district for a termination hearing or, if publicly accessible facilities are not available within the watershed district, at the nearest suitable publicly accessible facility. The board must have each manager of the watershed district personally served with a copy of the order.

Sec. 28. Minnesota Statutes 2022, section 103D.301, subdivision 1, is amended to read:

Subdivision 1. **More than one affected county.** If more than one county is affected by a watershed district, the board must provide that managers are distributed by residence among the counties affected by the watershed district and in consideration of the counties' portion of the land area and net tax capacity of the watershed.

Sec. 29. Minnesota Statutes 2022, section 103D.301, subdivision 3, is amended to read:

Subd. 3. **Redistribution.** (a) After ten years from the establishment of the watershed district, the county board of commissioners of a county affected by the watershed district may petition the board to redistribute the managers. After holding a public hearing on redistributing the managers, the board may redistribute the managers among the counties affected by the watershed district if the redistribution is in accordance with the policy and purposes of this chapter.

(b) A petition for the redistribution of managers may not be filed with the board more often than once in ten years.

(c) If more than one county is affected by a watershed district, the board must distribute the one-, two-, and three-year terms among counties affected by the watershed district. The board may redistribute the three-year terms upon redistributing the managers among the affected counties or upon increasing the number of managers.

Sec. 30. Minnesota Statutes 2022, section 103D.305, subdivision 2, is amended to read:

Subd. 2. **Petition signatures.** The petition to increase the number of managers must request the increase and be signed by one or more of the following groups:

- (1) one-half or more of the counties within the watershed district;
- (2) counties with 50 percent or more of the area within the watershed district;
- (3) a majority or greater number of the cities within the watershed district;

(4) 50 or more resident owners residing in the watershed district, excluding resident owners within the corporate limits of a city if the city has signed the petition; or

(5) the managers of the watershed district, by resolution adopted by a majority of the managers of the watershed district.

Sec. 31. Minnesota Statutes 2022, section 103D.305, subdivision 5, is amended to read:

Subd. 5. **Hearing.** (a) If the board determines at the hearing that an increase in the number of managers would benefit the public welfare, public interest, and the purpose of this chapter, the board must increase the number of managers. The board must make findings and an order accordingly and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district. The board's order must prescribe the terms for the new managers to be appointed by the designated county board or boards.

(b) If the watershed district affects more than one county, the board, by order, must direct the distribution of the managers among the affected counties.

Sec. 32. Minnesota Statutes 2022, section 103D.311, subdivision 4, is amended to read:

Subd. 4. **Record of appointed managers.** A record of all appointments made under this section must be filed with the county auditor of each county affected by the watershed district, the secretary or administrator of the board of managers, and the Board of Water and Soil Resources.

Sec. 33. Minnesota Statutes 2022, section 103D.315, subdivision 9, is amended to read:

Subd. 9. **First meeting of managers.** (a) Within ~~ten~~ 30 days after the first board of managers has received notice by personal service of their selection, the managers must meet at the watershed district's principal place of business.

(b) At the first meeting, the managers must take the oath under subdivision 1, provide a bond under subdivision 2, elect officers under subdivision 3, and appoint an advisory committee under section 103D.331.

Sec. 34. Minnesota Statutes 2022, section 103D.315, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The managers shall meet annually and at other necessary times to transact the business of the watershed district. A meeting may be called at any time at the request of any manager according to chapter 13D. ~~When a manager requests a meeting, the secretary of the watershed district must mail a notice of the meeting to each member at least eight days before the meeting.~~

Sec. 35. Minnesota Statutes 2022, section 103D.321, subdivision 1, is amended to read:

Subdivision 1. **Unavailable public facilities.** If ~~public~~ publicly accessible facilities are not available for a watershed district's principal place of business within the watershed district, the board shall determine and designate the nearest suitable ~~public~~ publicly accessible facility as the watershed district's principal place of business. The principal place of business is the location of the watershed district's office or, if the district has no office, the location of regular meetings of the board of managers.

Sec. 36. Minnesota Statutes 2022, section 103D.331, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The advisory committee consists of at least five members. If practicable, the advisory committee members selected should include a representative from each soil and water conservation district, a representative of each county, a member of a sporting organization, ~~and~~ a member of a farm organization, and a representative of each federally recognized Tribal government within the watershed district. Other advisory committee members may be appointed at the discretion of the managers. The members must be residents of the watershed district, except representatives from Tribal nations, soil and water conservation districts, and counties, and serve at the pleasure of the managers.

(b) In addition, the managers may appoint other interested and technical persons who may or may not reside within the watershed district to serve at the pleasure of the managers.

Sec. 37. Minnesota Statutes 2022, section 103D.335, subdivision 11, is amended to read:

Subd. 11. **Acquiring or disposing of property.** The managers may acquire by gift, purchase, taking under the procedures of this chapter, or by the power of eminent domain, necessary real and personal property. The managers may dispose of real or personal property when the property no longer serves a purpose of the watershed district. The watershed district may acquire property outside the watershed district where necessary for a water supply system.

Sec. 38. Minnesota Statutes 2022, section 103D.341, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must adopt rules ~~to accomplish the purposes of this chapter and~~ to implement the regulatory powers of the managers.

Sec. 39. Minnesota Statutes 2022, section 103D.345, subdivision 4, is amended to read:

Subd. 4. **Bond; financial assurance.** The managers may require an applicant for a permit to file a bond or other form of financial assurance with the managers in an amount set by the managers and conditioned on performance by the applicant of authorized activities in conformance with the terms of the permit.

Sec. 40. Minnesota Statutes 2022, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. The managers must submit the annual audit report to the board and the state auditor's office within 180 days of the end of the watershed district's fiscal year.

Sec. 41. [103D.357] REMOVAL OF MANAGERS.

After being provided an opportunity for a hearing before the appointing authority, a manager of a watershed district may be removed from the position by a majority vote of the appointing authority before term expiration for violation of a code of ethics of the watershed district or appointing authority or for malfeasance, nonfeasance, or misfeasance.

Sec. 42. Minnesota Statutes 2022, section 103D.401, is amended to read:

**103D.401 WATERSHED MANAGEMENT PLAN.**

Subdivision 1. **Contents.** (a) The managers must adopt and maintain a watershed management plan ~~for any or all of to exercise the powers of a watershed district and fulfill~~ the purposes for which a watershed district may be established. The watershed management plan must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The watershed management plan must also conform closely with watershed management plan guidelines as adopted and amended from time to time by the Board of Water and Soil Resources. The authority to adopt and maintain a watershed management plan under this section is retained notwithstanding a watershed district's participation in a comprehensive watershed management planning program under section 103B.801.

(b) The watershed management plan may include a separate section on proposed projects. ~~If the watershed district is within the metropolitan area, the separate section of proposed projects or petitions for projects to be undertaken according to the watershed management plan is a comprehensive plan of the watershed district for purposes of review by the Metropolitan Council under section 473.165.~~

Subd. 2. **Review Reviewing draft plan.** The managers must send a copy of the proposed watershed management plan for a 60-day review and comment period to the county auditor of each county affected by the watershed district, the board, ~~the commissioner,~~ the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. ~~For a watershed district within the metropolitan area, a copy of the proposed watershed management plan must also be submitted to the Metropolitan Council. At least ten days before the public hearing, the watershed district must respond in writing to all comments by the reviewing parties.~~

~~Subd. 3. **Director's and Metropolitan Council's recommendations.** After receiving the watershed management plan, the director and the Metropolitan Council must review and make recommendations on the watershed management plan. By 60 days after receiving the plan, the director and the Metropolitan Council must send their recommendations on the watershed management plan to the board and a copy to the managers of the watershed district, the county auditor of each county affected by the watershed district, the governing bodies of all municipalities affected by the watershed district, and soil and water conservation districts affected by the watershed district. The board may extend the period for review and transmittal of the recommendations.~~

Subd. 4. **Hearing notice.** (a) The ~~board~~ managers must give notice and hold a ~~watershed management plan~~ hearing on the proposed watershed management plan ~~by 45~~ no later than 60 days after receiving the director's and Metropolitan Council's recommendations the close of the 60-day review and comment period.

(b) The ~~board~~ managers must give notice of the ~~watershed management plan~~ hearing by publication in a legal newspaper that is published in counties affected by the watershed district. The last publication must occur at least ten days before the ~~watershed management plan~~ hearing.

(c) The ~~board~~ managers must give notice of the ~~watershed management plan~~ hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(d) The notice must include:

(1) a statement that a copy of the proposed watershed management plan has been filed with the board, ~~the Metropolitan Council, where applicable,~~ the auditors of counties affected by the proposed watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and the soil and water conservation districts affected by the watershed district;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property included in the watershed district;

(4) a general description of the proposed watershed management plan;

(5) the date, time, and location of the hearing; and

(6) a statement that all persons affected or interested in the watershed district may attend and give statements at the ~~watershed management plan~~ hearing.

Subd. 5. **Board approval.** (a) After the watershed management plan hearing, the ~~board~~ managers must submit the draft plan, any amendments to the draft plan, all written comments received on the draft plan, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the board for final review. The board must review the plan for conformance with this chapter.

(b) The board must not prescribe a plan but may disapprove all or parts of a plan that the board finds does not conform with this chapter. The board must complete its review within 90 days and, by order, ~~prescribe and~~ approve, disapprove, or approve with conditions a watershed management plan for the watershed district. The board must send a copy of the order and approved watershed management plan to the managers, the county board of each county affected by the watershed district, the commissioner, the director, the Metropolitan Council, where applicable, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board is the watershed management plan for the watershed district.

(c) A watershed district may seek reconsideration of a decision of the board concerning its plan or capital improvement program within 60 days of receiving the decision by filing an appeal to the board's dispute resolution committee established under section 103B.101, subdivision 10. The dispute resolution committee must complete its reconsideration and make a recommendation to the board, which must issue a final decision within 90 days of the appeal.

Subd. 6. **Adoption.** Within 120 days of the board's order, the managers must adopt a plan in compliance with the board's order. The managers must send a copy of the order and approved watershed management plan to the board, the county board of each county affected by the watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board and adopted by the managers is the watershed management plan for the watershed district.

Subd. 7. **Amendments.** (a) To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, counties, and state review agencies and to the board for review according to subdivisions 2 to 5, except when the proposed amendments are determined to be minor amendments according to the following requirements:

(1) the board has either agreed that the amendments are minor or failed to act within five working days of the end of the comment period specified in clause (2), unless an extension is mutually agreed upon with the watershed district;

(2) the watershed district has sent copies of the amendments to the plan review authorities for review and comment, allowing at least 30 days for receipt of comments; has indicated that the minor amendment procedure is being followed; and has directed that comments be sent to the watershed district and the board;

(3) no county board has filed an objection to the amendments with the watershed district and the board within the comment period specified in clause (2), unless an extension is mutually agreed upon by the county and the watershed district; and

(4) the watershed district has held a public meeting to explain the amendments and published a legal notice of the meeting twice, at least seven days and 14 days before the date of the meeting.

(b) The following changes to a plan do not require an amendment, but must be distributed to agencies and local units of government receiving an adopted plan under subdivision 6:

(1) formatting or reorganizing the plan;

(2) revising a procedure meant to streamline administration of the plan;

(3) clarifying existing plan goals or policies;

(4) including additional data not requiring interpretation;

(5) expanding a public process; or

(6) adjusting how a watershed district carries out program activities within the district's discretion.

Sec. 43. Minnesota Statutes 2022, section 103D.405, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The managers ~~and the board~~ must revise the watershed management plan for the watershed district at least once every ten years after the original watershed management plan is approved. The revised watershed management plan of the district must conform closely with adopted watershed management plan guidelines of the board of ~~Water and Soil Resources~~.

(b) The managers must include the following items in the revised watershed management plan:

(1) updates and supplements of the existing hydrological and other statistical data of the watershed district;

(2) specific projects and programs to be considered for implementation;

(3) a statement of the extent that the purposes for which the watershed district had been established have been accomplished;

(4) a description of problems requiring future action by the watershed district;

(5) a summary of completed studies on active or planned projects, including financial data; and

(6) an analysis of the effectiveness of the watershed district's rules and permits in achieving its water management objectives in the watershed district.

(c) A revised watershed management plan must be transmitted, reviewed, recommended, and approved as provided in subdivisions 2 to 4 and 6.

Sec. 44. Minnesota Statutes 2022, section 103D.535, subdivision 3, is amended to read:

Subd. 3. **Appeals from managers' orders.** (a) If an appeal is taken from an order authorizing a project, a trial of an appeal of benefits or damages from the proceedings must be stayed until the appeal is decided. If the order authorizing the project is affirmed, a trial of an appeal of benefits or damages may commence.

(b) If the appeal is from an order refusing to authorize a project and the court or the board later orders the project, the secretary or administrator of the watershed district shall give notice by publication of the filing of the order. The notice is sufficient if it refers to the proposed project by general description and recites the substance of the order and the date of filing in the court.

Sec. 45. Minnesota Statutes 2022, section 103D.701, is amended to read:

#### **103D.701 PROJECT INITIATION.**

Projects may not be initiated until the board approves a watershed management plan for the watershed district. ~~The projects~~ A project of the watershed district ~~that are to be paid for by assessment of the benefited properties~~ must be initiated:

(1) by a project petition filed with the managers;

(2) by ~~unanimous~~ resolution of a majority of the members of the board of managers; or

(3) as otherwise prescribed by this chapter.

Sec. 46. Minnesota Statutes 2022, section 103D.705, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) A project within the watershed district that generally conforms with the watershed management plan may be initiated by a project petition. A project petition must contain:

(1) a description of the proposed project and the purpose to be accomplished;

(2) a description of the property where the proposed project passes over or is located;

(3) a general description of the part of the watershed district that will be affected, if less than the entire watershed district;

(4) the necessity for the proposed project;

(5) a statement that the proposed project will be conducive to public health, convenience, and welfare; and

(6) a statement that the petitioners will pay all costs and expenses that may be incurred if the proceedings are dismissed or a construction or implementation contract is not awarded for the proposed project.

(b) A petition may request that the managers adopt a resolution according to section 103D.707, subdivision 1, to allow sources of funding other than assessment to be used in whole or in part for the project. Upon adopting a requested resolution, the managers must release the deposit or bond required under subdivision 3.

Sec. 47. Minnesota Statutes 2022, section 103D.705, is amended by adding a subdivision to read:

Subd. 5. **Determination.** If the managers determine that a proper project petition has been filed and that the proposed project promotes the public interest and welfare, is practicable, and conforms with the watershed management plan of the watershed district, the managers must:

(1) identify the project by name and number; and

(2) designate an engineer to make surveys, maps, and a report on the proposed project.

Sec. 48. **[103D.707] PROJECTS INITIATED BY MANAGERS.**

Subdivision 1. **Resolution.** A majority of the members of the board of managers may initiate a project by a resolution finding that the project generally conforms with the watershed management plan of the watershed district. The resolution must:

(1) identify the project by name and number;

(2) identify intended sources of project funding; and

(3) designate an engineer to make surveys, maps, and a report on the proposed project.

Subd. 2. **Funding.** (a) A project initiated under this section may be funded from one or more sources of funds available to the watershed district, including but not limited to levy, assessment, a water management district charge, and external sources. The availability and use of a source of funding must be as specified in applicable law.

(b) The finding under subdivision 1 as to intended sources of funding is not binding on the managers. However, the procedures of this chapter must be afforded to property owners affected by any subsequent decision of the managers to expand the use of assessment.

Subd. 3. **Determining benefits.** Procedures in section 103D.715 for appointing resident appraisers and determining benefits apply to a project initiated by resolution of the managers only if and to the extent that a project is to be funded in whole or part by assessment.



Sec. 49. Minnesota Statutes 2022, section 103D.711, is amended to read:

**103D.711 ENGINEER'S REPORT.**

~~Subdivision 1. **Determination.** If the managers determine that a proper project petition has been filed, the proposed project promotes the public interest and welfare, is practicable and conforms with the watershed management plan of the watershed district, the managers must:~~

~~(1) identify the project proceeding by name and number; and~~

~~(2) designate an engineer to make surveys, maps, and a report on the proposed project.~~

Subd. 2. **Requirements.** (a) The engineer's report must include findings and recommendations about the proposed project. If the engineer finds the project feasible, the engineer must provide a plan of the proposed project as part of the report. The plan must include:

(1) a map of the project area, drawn to scale, showing the location of the proposed improvements, if any;

(2) the estimated total cost of completing the project including construction, operation, implementation, supervision, and administrative costs;

(3) the acreage required as right-of-way listed by each lot and 40-acre tract or fraction of the lot or tract under separate ownership, if required to implement the project; and

(4) other details and information to inform the managers of the practicability and necessity of the proposed project with the engineer's recommendations on these matters.

(b) The map of the area must include:

(1) the location and adequacy of the outlet, if the project is related to drainage;

(2) the watershed of the project area;

(3) the location of existing highways, bridges, and culverts;

(4) the property, highways, and utilities affected by the project with the names of the known property owners;

(5) the location of public land and water affected by the project; and

(6) other physical characteristics of the watershed necessary to understand the area.

Subd. 3. **State and federal projects.** The engineer may adopt, approve, and include as a part of the engineer's report a project of the state or federal government that is pertinent to the project and may accept data, plats, plans, details, or information pertaining to the state or federal project given to the engineer watershed district by the state or federal agency. The engineer ~~shall~~ may omit the items required in subdivision 2 from the engineer's report if the data given by the state or federal government is sufficient to meet the requirements of subdivision 2.

Subd. 4. **Hearing after unfavorable engineer's report.** (a) If the project has been initiated by petition and the engineer's report is unfavorable, the managers shall, by order, within 35 days set a time and place within the watershed district for a hearing for the petitioners to demonstrate why the managers should not refer the petition back to the petitioners for further proceedings or dismiss the petition.

(b) The hearing notice must state:

- (1) that the engineer's report is unfavorable;
- (2) that the engineer's report is on file with the managers and may be reviewed; and
- (3) the time and place for the hearing.

(c) The managers shall mail a copy of the notice to each of the petitioners at least 14 days before the hearing.

Subd. 5. **Advisory reports.** (a) When the engineer's report is filed with the managers, the managers shall send a complete copy to the director and to the board.

(b) The director and the board shall examine the engineer's report and by 30 days after receiving the report, the director shall make a director's advisory report and the board shall make a board's advisory report which must include:

(1) a statement on whether the engineer's report is incomplete and not in accordance with this chapter;

(2) a statement of whether the engineer's report is approved as being a practical plan;

(3) if the project as planned does not meet approval, recommendations for changes considered advisable must be stated or an opinion that the proposed project or improvement is not practical; and

(4) a recommendation as to whether a soil survey appears advisable.

(c) The director's advisory report and the board's advisory report shall be directed to and filed with the managers.

(d) The director's advisory report and the board's advisory report shall be considered advisory only.

Subd. 6. **Notice for final hearing; timing.** A notice may not be issued for the final hearing until the board's advisory report and the director's advisory report are filed or the time for filing the reports with the managers has expired. For projects initiated by the managers according to section 103D.707, the managers may decide at any time not to proceed to final hearing.

Subd. 7. **Form.** The findings, recommendations, and content of the engineering report shall conform as nearly as practicable to the requirements of this section.

Subd. 8. **Soil survey.** If a soil survey is recommended to be made in the director's advisory report or the board's advisory report, the engineer shall make the soil survey and a soil survey report. The soil survey report must be submitted to the managers before the final hearing.

Sec. 50. Minnesota Statutes 2022, section 103D.715, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** After the engineer's report is filed, if the project is proposed to be funded in whole or in part by assessments of benefitted land owners, the managers shall, with the least possible delay, appoint three disinterested resident owners of the state as appraisers.

Sec. 51. Minnesota Statutes 2022, section 103D.729, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A watershed district may establish a water management district or districts in the territory within the watershed, for the purpose of collecting revenues and paying the costs of projects initiated under section 103B.231, ~~103D.601, 103D.605, 103D.611, 103D.701,~~ or 103D.730.

Sec. 52. Minnesota Statutes 2022, section 103D.729, subdivision 2, is amended to read:

Subd. 2. **Procedure.** A watershed district may establish a water management district only by amendment to its plan in accordance with section ~~103D.411, or~~ 103D.401, or 103B.231 for watershed districts in the metropolitan area, and compliance with subdivisions 3 and 4. The amendment ~~shall~~ must describe with particularity the territory or the area to be included in the water management district, the amount of the necessary charges, the methods used to determine charges, and the length of time the water management district will remain in force. After adoption, the amendment ~~shall~~ must be filed with the county auditor and county recorder of each county affected by the water management district. Charges must be collected according to section 444.075, subdivision 2a. The water management district may be dissolved by the procedure prescribed for the establishment of the water management district.

Sec. 53. Minnesota Statutes 2022, section 103D.731, is amended to read:

**103D.731 APPRAISERS' REPORT; EXAMINATION.**

(a) The appraisers shall prepare an appraisers' report of the benefits and damages determined and file the report with the managers.

(b) After the appraisers' report is filed, the managers shall examine the report and determine whether:

(1) the report was made in conformity with the requirements of this chapter; and

(2) for each property to be assessed, the total benefits are greater than the total estimated costs and damages to be assessed.

(c) If the managers determine the appraisers' report is inadequate in any manner, the managers may return the report to the appraisers for further study and report.

Sec. 54. Minnesota Statutes 2022, section 103D.745, subdivision 3, is amended to read:

Subd. 3. **Establishing project.** (a) The managers shall make findings, order and direct construction or implementation of the project, and confirm the ~~engineer's~~ technical report and the findings of the appraisers and the appraisers' report if, at the end of the final hearing, the managers find that the project will:

(1) be conducive to public health;

(2) promote the general welfare;

(3) be in compliance with this chapter; and

(4) for each property to be assessed, result in benefits that will be greater than the cost of the construction or implementation and damages to be assessed.

(b) The order may authorize the construction or implementation of the project as a whole or authorize different parts of the project to be constructed separately.

(c) The managers shall order the engineer to proceed with making the necessary surveys and preparing plans and specifications that are needed to construct the project and report the results of the surveys and plans to the managers.

Sec. 55. Minnesota Statutes 2022, section 103D.805, is amended to read:

#### **103D.805 FILING MANAGERS' ORDER ESTABLISHING PROJECT.**

An order of the managers establishing the project and authorizing construction must immediately be filed with the secretary or administrator of the watershed district, and a certified copy of the order must be filed with the auditor of each county affected, the board, the commissioner, the director, the Pollution Control Agency, and the commissioner of health.

Sec. 56. Minnesota Statutes 2022, section 103D.811, subdivision 3, is amended to read:

Subd. 3. **Awarding contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest responsible bidder. The bidder to whom the contract is to be awarded must give a bond, with ample security as required by section 574.26, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

(e) The contract ~~shall~~ must be approved by the managers ~~and signed by the president, secretary, and contractor.~~

Sec. 57. Minnesota Statutes 2022, section 103D.901, subdivision 2, is amended to read:

Subd. 2. **County funding.** After the assessment statement is filed with the auditor, the county board of each affected county shall provide funds to meet its proportionate share of the total cost of the project, as shown by the engineer's report and order of the managers. The county may issue bonds of the county in the manner provided by section 103E.635. ~~If an improvement is to be constructed under section 103D.611, the provisions of section 103E.635 requiring the county board to award a contract for construction or implementation before issuing bonds is not applicable to bonds issued to provide the funds required to be furnished by this section.~~

Sec. 58. Minnesota Statutes 2022, section 103E.729, subdivision 9, is amended to read:

Subd. 9. **Sunset.** This section expires on July 31, ~~2024~~ 2029.

Sec. 59. Minnesota Statutes 2022, section 103F.48, subdivision 1, is amended to read:

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer-protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" means public waters that are on the public waters inventory as provided in section 103G.201.

(j) "With jurisdiction" means a board determination that the county or watershed district has adopted and is implementing a rule, ordinance, or official controls providing procedures for the issuance of administrative penalty orders, enforcement, and appeals for purposes of this section and section 103B.101, subdivision 12a. This determination is revocable by board action if the adoption and implementation of a rule, an ordinance, or official controls are not in compliance with the requirements of this section or board adopted procedures.

Sec. 60. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural crop production.** "Agricultural crop production" means an agricultural activity that is devoted to producing horticultural, row, close-grown, introduced pasture, or introduced hayland crops and includes but is not limited to tillage, planting, or harvesting operations.

Sec. 61. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1b. **Agricultural land.** "Agricultural land" means land devoted to the following uses and includes any contiguous land associated with the uses:

- (1) pasture or hayland for domestic livestock or dairy animals;
- (2) producing agricultural crops;
- (3) growing nursery stocks; or
- (4) animal feedlots.

Sec. 62. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 1c. **Approved practice.** "Approved practice" means a conservation practice that may be established on an easement area and that meets the requirements of section 103F.527.

Sec. 63. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3a. **Conservation easement program.** "Conservation easement program" means:

- (1) the reinvest in Minnesota reserve program under section 103F.515;
- (2) the permanent wetlands preserve program under section 103F.516;
- (3) the reinvest in Minnesota clean energy program under section 103F.518; or
- (4) the reinvest in Minnesota working lands program under section 103F.519.

Sec. 64. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 3b. **Conservation plan.** "Conservation plan" means a written description and map of approved practices that must be applied to or that already exist on an easement area.

Sec. 65. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5b. **Food plot.** "Food plot" means an area established to provide food for wildlife.

Sec. 66. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5d. **Land with crop history.** "Land with crop history" means land that has produced horticultural, row, or close-grown crops or that has been enrolled at a cropland rate in a federal or state conservation program for at least two of the five years preceding an application to enroll the land in a conservation easement program. Land with crop history includes acres devoted to set-aside or conserving use for programs of the United States Department of Agriculture.

Sec. 67. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7a. **Pasture.** "Pasture" means land that is used for grazing by domestic livestock and that is not considered land with crop history.

Sec. 68. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 7b. **Perennial cover.** "Perennial cover" means:

- (1) existing or established perennial vegetation within the easement boundary; or
- (2) a restored or existing wetland or water-covered area within the easement boundary.

Sec. 69. Minnesota Statutes 2022, section 103F.515, is amended to read:

#### **103F.515 REINVEST IN MINNESOTA RESERVE PROGRAM.**

Subdivision 1. **Establishment.** The board, in consultation with the commissioner of agriculture and the commissioner of natural resources, shall establish and administer the reinvest in Minnesota reserve program. The board shall implement sections 103F.505 to 103F.531. Selection of land for the reinvest in Minnesota reserve program must be based on its enhancement potential for fish, wildlife, and native plant habitats, reducing erosion, and protecting water quality benefit to accomplishing the purposes in section 103F.505.

Subd. 2. **Eligible land.** (a) Land may be placed in the reinvest in Minnesota reserve program if the land meets the requirements of paragraphs (b) and (c) or paragraph (d).

(b) Land is eligible if the land:

- (1) is marginal agricultural land;
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;
- (3) consists of a drained wetland;
- (4) is land that with a windbreak or water quality improvement practice would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is riparian or floodplain land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to eight acres of cropland or ~~one acre of~~ noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; ~~or~~

(10) is land used for pasture; or

(11) is land in an environmentally sensitive area, including grasslands, peatlands, shorelands, karst geology, trout stream watersheds, and forest lands in priority areas.

(c) Eligible land under paragraph (a) must:

(1) be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

~~(2) be at least five acres in size, except for a drained wetland area, riparian area, windbreak, woodlot, wellhead protection area, or abandoned building site, or be a whole field;~~

~~(3)~~ (2) not be set aside, enrolled or diverted under another federal or state government program unless enrollment in the reinvest in Minnesota reserve program would provide additional conservation benefits or a longer term of enrollment than under the current federal or state program; and

~~(4) have been in agricultural crop production for at least two of the last five years before the date of application except drained wetlands, riparian lands, woodlots, abandoned building sites, environmentally sensitive areas, wellhead protection areas, or land used for pasture.~~

(3) benefit the purposes in section 103F.505.

(d) Land is eligible if the land is within a wellhead protection area as defined under section 103I.005, subdivision 24, and has a wellhead protection plan approved by the commissioner of health.

(e) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505.

Subd. 3. **Conservation easements.** (a) The board may acquire, or accept by gift or donation, conservation easements on eligible land. An easement may be permanent or of limited duration. An easement acquired on land for wetland restoration or windbreak purposes, under subdivision 2, may be only of permanent duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapters 16B and 16C.



(b) The board may acquire, or accept by gift or donation, flowage easements when necessary for completion of wetland restoration projects.

Subd. 4. **Nature of property rights acquired.** (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the board;

(2) agricultural crop production and livestock grazing, unless specifically approved by the board for conservation management purposes or extreme drought; ~~and~~

(3) spraying with chemicals or mowing, except:

(i) as necessary to comply with noxious weed control laws;

(ii) for emergency control of pests necessary to protect public health; or

(iii) as approved by the board for conservation management purposes; and

(4) extracting or mining any gravel, rock, or topsoil.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

(d) Notwithstanding paragraph (a), the board must permit the harvest of native grasses for use in seed production or bioenergy on wellhead protection lands eligible under subdivision 2, paragraph (d).

(e) A conservation easement must allow the board and its employees and agents to enter the easement area for inspection and for enforcing the terms and conditions of the conservation easement.

Subd. 5. **Agreements by landowner.** The board may enroll eligible land in the reinvest in Minnesota reserve program by signing an agreement ~~in recordable form~~ with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior ~~title, lien, or encumbrance~~ liens or encumbrances that are determined to be objectionable by the attorney general;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the board; or to plant trees or carry out other long-term capital improvements approved by the board for soil and water conservation or wildlife management;

(3) to convey to the state a permanent easement for the wetland restoration;

~~(4) that other land supporting natural vegetation owned or leased as part of the same farm operation at the time of application, if it supports natural vegetation and has not been used in agricultural crop production, will not be converted to agricultural crop production or pasture; and~~

~~(5)~~ (4) that the easement duration may be lengthened through mutual agreement with the board in consultation with the commissioners of agriculture and natural resources if they determine that the changes effectuate the purpose of the program or facilitate its administration;

(5) to be responsible for operating and maintaining approved practices designated in the conservation plan;

(6) to pay, when due, all taxes and assessments that may be levied against the easement area;

(7) to remove any existing structures as required before the conservation easement is conveyed and not place, erect, or construct structures on the easement area;

(8) to remove any existing hazardous and toxic substances or any pollutants and contaminants before the conservation easement is conveyed and not place such substances, pollutants, or contaminants on the easement area; and

(9) to properly seal all abandoned wells on the easement area before the conservation easement is conveyed and pay all associated costs.

Subd. 6. **Payments for easements.** (a) The board shall establish rates for payments to the landowner for the conservation easement and related practices. The board shall consider market factors, including the township average equalized estimated market value of property as established by the commissioner of revenue at the time of easement application.

(b) The board may establish a payment system for flowage easements acquired under this section.

(c) For wetland restoration projects involving more than one conservation easement, state payments for restoration costs may exceed the limits set by the board for an individual easement provided the total payment for the restoration project does not exceed the amount payable for the total number of acres involved.

~~(d) The board may use available nonstate funds to exceed the payment limits in this section.~~

Subd. 7. **Easement renewal.** When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the board and the landowner, under the terms of this section. The board may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Subd. 8. **Correcting boundary lines.** To correct errors in legal descriptions for easements that affect the ownership interests in the state and adjacent landowners, the board may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Subd. 9. **Enforcement and damages.** (a) A landowner who violates the term of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

(b) ~~Upon the request of the board,~~ The board may request that the attorney general commence a legal action for a violation, and the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney's fees, and any other appropriate relief to enforce sections 103F.505 to 103F.531 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business. In addition to or in lieu of making a request under this paragraph, the board may use its authority under section 103B.101, subdivision 12, to issue a penalty order for a violation. The penalties may be forgiven, in whole or in part, upon compliance with the conservation easement conditions.

(c) A landowner is not in violation of the conservation easement if a failure of approved practices was caused by reasons beyond the landowner's control.

Subd. 10. **Use for mitigation prohibited.** Money made available under the reinvest in Minnesota reserve program may not be used for environmental regulatory or wetland mitigation purposes required under federal or state law.

Sec. 70. **[103F.527] CONSERVATION PRACTICES.**

Subdivision 1. **Approved practices.** An approved practice must be consistent with section 103F.505. The landowner is responsible for establishing all approved practices on the easement area as specified by the board.

Subd. 2. **Approved practices eligible for reimbursement.** The board must determine which approved practices are eligible for payments or reimbursement under a conservation easement program. Food plots are not eligible for payments or reimbursement under a conservation easement program.

Subd. 3. **Money from other sources.** The board may augment money available to pay for or reimburse approved practices with money from other agencies, organizations, or individuals.

Sec. 71. **[103F.528] SOIL AND WATER CONSERVATION DISTRICT RESPONSIBILITIES.**

Subdivision 1. **Program delegation.** With the consent of the Board of Water and Soil Resources, a district may enter into an agreement with others, as authorized under section 103C.231, to delegate, in whole or in part, the responsibility for administering a conservation easement program.

Subd. 2. **Land in more than one district.** If an application involves land in more than one district, the districts or delegated parties may jointly agree for one of the districts or delegated parties to be the responsible party to review and prioritize the application and complete all tasks necessary to convey the conservation easement to the Board of Water and Soil Resources.

Subd. 3. **Violations and enforcement.** The district may take measures that are necessary to ensure landowner compliance with the conservation agreement, conservation easement, and conservation plan. If the district is unsuccessful in obtaining landowner compliance, the district must notify the Board of Water and Soil Resources of the violation and may recommend appropriate measures to be taken to correct the violation.

Sec. 72. Minnesota Statutes 2022, section 103F.535, subdivision 5, is amended to read:

Subd. 5. **Altering conservation easements.** (a) Conservation easements may be altered, released, or terminated by the board after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

(b) The board may adopt policies and procedures to implement this subdivision, including provisions to ensure at least equal resource value as a condition of approving a request to alter, release, or terminate a conservation easement.

(c) The landowner must compensate the board for damages and loss of benefits to the conservation easement that result from the alteration, release, or termination. The board may require the landowner to reimburse the board's administrative expenses and costs incurred in altering, releasing, or terminating a conservation easement.

Sec. 73. Minnesota Statutes 2022, section 103G.005, subdivision 14d, is amended to read:

Subd. 14d. **Project.** "Project" means a specific plan, contiguous activity, proposal, or design necessary to accomplish a goal as defined by the local government unit. As used in this chapter, a project may not be split into components or phases for the sole purpose of gaining additional exemptions.

Sec. 74. Minnesota Statutes 2022, section 103G.005, subdivision 17b, is amended to read:

Subd. 17b. **Wetland type.** "Wetland type" means a wetland type classified according to *Wetlands of the United States*, United States Fish and Wildlife Service Circular 39 (1971 edition), ~~as summarized in this subdivision~~ or *A Hydrogeomorphic Classification for Wetlands*, United States Army Corps of Engineers (August 1993), including updates, supplementary guidance, and replacements, if any, as determined by the board.

~~(1) "Type 1 wetlands" are seasonally flooded basins or flats in which soil is covered with water or is waterlogged during variable seasonal periods but usually is well-drained during much of the growing season. Type 1 wetlands are located in depressions and in overflow bottomlands along watercourses, and in which vegetation varies greatly according to season and duration of flooding and includes bottomland hardwoods as well as herbaceous growths.~~

~~(2) "Type 2 wetlands" are inland fresh meadows in which soil is usually without standing water during most of the growing season but is waterlogged within at least a few inches of surface. Vegetation includes grasses, sedges, rushes, and various broad-leaved plants. Meadows may fill shallow basins, sloughs, or farmland sags, or these meadows may border shallow marshes on the landward side.~~

~~(3) "Type 3 wetlands" are inland shallow fresh marshes in which soil is usually waterlogged early during a growing season and often covered with as much as six inches or more of water. Vegetation includes grasses, bulrushes, spikerushes, and various other marsh plants such as cattails, arrowheads, pickerelweed, and smartweeds. These marshes may nearly fill shallow lake basins or sloughs, or may border deep marshes on the landward side and are also common as seep areas on irrigated lands.~~

~~(4) "Type 4 wetlands" are inland deep fresh marshes in which soil is usually covered with six inches to three feet or more of water during the growing season. Vegetation includes cattails, reeds, bulrushes, spikerushes, and wild rice. In open areas, pondweeds, naiads, coontail, water milfoils, waterweeds, duckweeds, waterlilies, or spatterdocks may occur. These deep marshes may completely fill shallow lake basins, potholes, limestone sinks, and sloughs, or they may border open water in such depressions.~~

~~(5) "Type 5 wetlands" are inland open fresh water, shallow ponds, and reservoirs in which water is usually less than ten feet deep and is fringed by a border of emergent vegetation similar to open areas of type 4 wetland.~~

~~(6) "Type 6 wetlands" are shrub swamps in which soil is usually waterlogged during growing season and is often covered with as much as six inches of water. Vegetation includes alders, willows, buttonbush, dogwoods, and swamp privet. This type occurs mostly along sluggish streams and occasionally on floodplains.~~

~~(7) "Type 7 wetlands" are wooded swamps in which soil is waterlogged at least to within a few inches of the surface during growing season and is often covered with as much as one foot of water. This type occurs mostly along sluggish streams, on floodplains, on flat uplands, and in shallow basins. Trees include tamarack, arborvitae, black spruce, balsam, red maple, and black ash. Northern evergreen swamps usually have a thick ground cover of mosses. Deciduous swamps frequently support beds of duckweeds and smartweeds.~~

~~(8) "Type 8 wetlands" are bogs in which soil is usually waterlogged and supports a spongy covering of mosses. This type occurs mostly in shallow basins, on flat uplands, and along sluggish streams. Vegetation is woody or herbaceous or both. Typical plants are heath shrubs, sphagnum moss, and sedges. In the north, leatherleaf, Labrador tea, cranberries, carex, and cottongrass are often present. Scattered, often stunted, black spruce and tamarack may occur.~~

Sec. 75. Minnesota Statutes 2023 Supplement, section 103G.005, subdivision 19, is amended to read:

Subd. 19. **Wetlands.** (a) "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

(1) have a predominance of hydric soils;

(2) are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(3) under normal circumstances support a prevalence of such vegetation.

(b) For the purposes of regulation under this chapter, the term wetlands does not include public waters wetlands as defined in subdivision 15a.

(c) Notwithstanding paragraph (a), wetlands includes deepwater aquatic habitats that are not public waters or public waters wetlands. For purposes of this paragraph, "deepwater aquatic habitats" has the meaning given in *Corps of Engineers Wetlands Delineation Manual*, United States Army Corps of Engineers (January 1987).

Sec. 76. Minnesota Statutes 2022, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Project-specific wetland-replacement plans submitted as part of a project for which a permit to mine is required and approved by the commissioner on or after July 1, 1991, may include surplus wetland credits to be allocated by the commissioner to offset future mining-related wetland impacts under any permits to mine held by the permittee, the operator, the permittee's or operator's parent, an affiliated subsidiary, or an assignee pursuant to an assignment under section 93.481, subdivision 5. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins ~~shall be~~ are considered a single watershed for purposes of determining wetland-replacement ratios. Mining reclamation plans ~~shall must~~ must apply the same principles and standards for replacing wetlands that are applicable to mitigation plans approved as provided in section 103G.2242. The commissioner must provide notice of an application for wetland replacement under a permit to mine to the county in which the impact is proposed and the county in which a mitigation site is proposed. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of ~~types 3, 4, and 5~~ wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;

(5) compensating for the impact by restoring a wetland; and

(6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, ~~subdivision 2, paragraph (b) or (c), subdivision 1, clause (1)~~, the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics

may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel ~~shall~~ must review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for ~~state~~ public transportation projects that occur on state roads, for which the state Department of Transportation is responsible for the wetland replacement, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising



from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 77. Minnesota Statutes 2022, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** A replacement plan for wetlands is not required for:

~~(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;~~

~~(2) activities in a type 1 wetland on agricultural pasture land that remains in the same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural pasture land that remains in the same use;~~

(1) impacts to wetlands on agricultural land labeled prior-converted cropland and impacts to wetlands resulting from drainage maintenance activities authorized by the United States Department of Agriculture, Natural Resources Conservation Service, on areas labeled farmed wetland, farmed-wetland pasture, and wetland. The prior-converted cropland, farmed wetland, farmed-wetland pasture, or wetland must be labeled on a valid final certified wetland determination issued by the Natural Resources Conservation Service in accordance with Code of Federal Regulations, part 7, section 12, as amended. It is the responsibility of the owner or operator of the land to provide a copy of the final certified wetland determination to, and allow the Natural Resources Conservation Service to share related information with, the local government unit and the board for purposes of verification.

~~(3)~~ (2) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, and fiber products, but does not include activities that result in the draining of wetlands;

~~(4)~~ (3) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

~~(5)~~ (4) wetland impacts resulting from aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes, authorized under; and conducted in accordance with; a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

~~(6)~~ (5) wetland impacts resulting from wild rice production activities, including necessary diking and other activities, authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or

~~(7)~~ (6) agricultural activities on agricultural land that is subject to the swampbuster provisions of the federal farm program restrictions consistent with a memorandum of understanding and related agreements between the board and the United States Department of Agriculture, Natural Resources Conservation Service.

Sec. 78. Minnesota Statutes 2022, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** ~~(a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system.~~

~~(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:~~

~~(1) during the 20-year period that ended January 1, 1992:~~

~~(i) there was an expenditure made from the drainage system account for the public drainage system;~~

~~(ii) the public drainage system was repaired or maintained as approved by the drainage authority;~~  
or

~~(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and~~

~~(2) the wetlands are not drained for conversion to:~~

~~(i) platted lots;~~

~~(ii) planned unit, commercial, or industrial developments; or~~

~~(iii) any development with more than one residential unit per 40 acres, except for parcels subject to local zoning standards that allow for family members to establish an additional residence on the same 40 acres.~~

If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.

~~(e) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.~~

~~(d)~~ (a) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems ~~other than~~, including public drainage systems.

~~(e) A replacement plan is not required for draining agricultural land that:~~

~~(1) was planted with annually seeded crops before July 5, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact;~~

~~(2) was in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a crop production purpose, in eight out of the ten most recent years prior to the impact; or~~

~~(3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.~~

~~(f) The~~ (b) A public drainage authority may, as part of the repair of a public drainage system, as defined in section 103E.005, subdivision 12, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent the drainage of ~~the wetland wetlands~~.

~~(g) Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.~~

Sec. 79. Minnesota Statutes 2022, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for wetland impacts resulting from:

(1) new placement or maintenance, repair, enhancement, realignment, or replacement of existing utility or utility-type service, including pipelines, ~~if:~~ when wetland impacts are authorized under and conducted in accordance with a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, and

~~(i)~~ the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; ~~and~~

~~(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;~~

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in

additional wetland intrusion or additional draining or filling of a wetland either wholly or partially;  
or

(3) repair and updating of existing subsurface sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) ~~For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices. Work of an emergency nature may proceed as necessary, and any drain or fill activities shall~~ must be addressed with the local government unit after the emergency work has been completed.

Sec. 80. Minnesota Statutes 2022, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (d), (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for draining or filling impacts to the following amounts of wetlands, excluding the permanently and semipermanently flooded areas of wetlands, as part of a project outside of the shoreland wetland protection zone:

(1) 10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-quarter acre of wetland in a greater than 80 percent area;

(2) 5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-tenth acre of wetland in a 50 to 80 percent area, except within the 11-county metropolitan area;  
or

(3) 2,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, one-twentieth acre of wetland in a less than 50 percent area, except within the 11-county metropolitan area; or.

(4) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.

(b) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for draining or filling the following amounts of up to 100 square feet of impacts to wetlands as part of a project within the shoreland wetland protection zone beyond the shoreland building setback zone:

(1) 400 square feet of type 1, 2, 6, or 7 wetland; or

(2) 100 square feet of type 3, 4, 5, or 8 wetland or white cedar and tamarack wetland.

In a greater than 80 percent area, the de minimis amount allowed under clause (1) may be increased up to 1,000 square feet if the wetland is isolated and is determined to have no direct surficial connection to the public water or if permanent water runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.

(c) Except as provided in paragraphs (e), (f), (g), (h), and (i), a replacement plan for wetlands is not required for draining or filling up to 20 square feet of wetland impacts to wetlands as part of a project within the shoreland building setback zone, as defined in the local shoreland management ordinance. The amount in this paragraph may be increased to 100 square feet if permanent water

runoff retention or infiltration measures are established in proximity as approved by the shoreland management authority.

(d) Except as provided in paragraphs ~~(b)~~, (c), (e), (f), (g), (h), and (i), a replacement plan is not required for draining or filling amounts up to 400 square feet of impacts to the permanently and semipermanently flooded areas of wetlands as part of a project.

~~(1) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area within the 11-county metropolitan area; or~~

~~(2) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area within the 11-county metropolitan area.~~

~~For purposes of this subdivision, the 11-county metropolitan area consists of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.~~

(e) The amounts listed in paragraphs (a), (b), and (c), and (d) may not be combined on a project.

~~(f) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:~~

~~(1) the applicable area listed in paragraph (a), (b), or (c), if the landowner owns the entire wetland;~~

~~(2) five percent of the landowner's portion of the wetland; or~~

~~(3) 400 square feet.~~

(f) When the total area of impacts to wetlands as part of a project exceeds the applicable amount in this subdivision, a replacement plan is required for the entire amount.

(g) This exemption may not be combined with another exemption in this section on a project.

(h) Property may not be divided to increase the amounts listed in paragraph (a), (b), (c), or (d).

(i) If a local ordinance or similar local control is more restrictive than this subdivision, the local standard applies.

Sec. 81. Minnesota Statutes 2023 Supplement, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; mitigating and banking other water and water-related resources; the administrative, monitoring, and enforcement procedures to be used; provisions that protect or mitigate impacts to the public values of watercourses that are not public

waters; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 82. Minnesota Statutes 2022, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland ~~shall~~ must be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel ~~shall~~ must be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters.

(b) For wetland boundary determinations, the panel ~~shall~~ must use ~~the "United States Army Corps of Engineers Wetland Delineation Manual", United States Army Corps of Engineers (January 1987), including updates, supplementary guidance, and replacements, if any;". For wetland type determinations, the panel must also use "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39; (1971 edition); and "Classification of Wetlands and Deepwater Habitats of the United States, United States Fish and Wildlife Service (August 2013 edition); or "A Hydrogeomorphic Classification for Wetlands, United States Army Corps of Engineers (August 1993), according to rules authorized under this part "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition) and including updates, supplementary guidance, and replacements, if any, for any of these publications.~~

(c) The panel ~~shall~~ must provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, sequencing, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

~~(b)~~ (d) A member of the Technical Evaluation Panel that has a financial interest in a wetland bank or management responsibility to sell or make recommendations in their official capacity to sell credits from a publicly owned wetland bank must disclose that interest, in writing, to the Technical Evaluation Panel and the local government unit.

~~(e)~~ (e) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

~~(f)~~ (f) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 83. Minnesota Statutes 2022, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2; and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations to designated staff; or establish other procedures it considers appropriate.

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed or sent by electronic transmission to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy. Notwithstanding section 15.99, subdivision 2, the board must establish by rule timelines for project review and comment for wetland banking projects.

(d) The local government unit decision is valid for five years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

Sec. 84. Minnesota Statutes 2022, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be

given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

(b) The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland banking program for impacts to wetlands. The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish wetland credit and in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 85. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber Minnesota Statutes, section 103F.511, subdivision 5a, as Minnesota Statutes, section 103F.511, subdivision 5c.

(b) The revisor of statutes shall replace references to "section 103A.206" with references to "section 103C.005" wherever they appear in Minnesota Statutes, chapter 103C.

Sec. 86. **REPEALER.**

(a) Minnesota Statutes 2022, sections 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, and 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, and 4; 103D.611; 103F.511, subdivision 8b; and 103F.950, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5, is repealed.

(c) Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; and 8400.3930, are repealed.

### ARTICLE 3

#### OTHER PROVISIONS

Section 1. **[11A.236] ACCOUNT TO INVEST FINANCIAL ASSURANCE MONEY FROM PERMITS TO MINE.**

Subdivision 1. **Establishment; appropriation.** (a) The State Board of Investment, when requested by the commissioner of natural resources, may invest money collected by the commissioner as part of financial assurance provided under a permit to mine issued under chapter 93. The State Board of Investment may establish one or more accounts into which money may be deposited for the purposes of this section, subject to the policies and procedures of the State Board of Investment. Use of any money in the account is restricted to the financial assurance purposes identified in sections



93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under a permit to mine.

(b) Money in an account established under paragraph (a) is appropriated to the commissioner of natural resources for the purposes for which the account is established under this section.

Subd. 2. **Account maintenance and investment.** (a) The commissioner of natural resources may deposit money in the appropriate account and may withdraw money from the appropriate account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules adopted thereunder and as authorized under any trust fund agreements or other conditions established under the permit to mine for which the financial assurance is provided, subject to the policies and procedures of the State Board of Investment.

(b) Investment strategies related to an account established under this section must be determined jointly by the commissioner of natural resources and the executive director of the State Board of Investment. The authorized investments for an account are the investments authorized under section 11A.24 that are made available for investment by the State Board of Investment.

(c) Investment transactions must be at a time and in a manner determined by the executive director of the State Board of Investment. Decisions to withdraw money from the account must be determined by the commissioner of natural resources, subject to the policies and procedures of the State Board of Investment. Investment earnings must be credited to the appropriate account for financial assurance under the identified permit to mine.

(d) The commissioner of natural resources may terminate an account at any time, so long as the termination is in accordance with applicable statutes, rules, trust fund agreements, or other conditions established under the permit to mine, subject to the policies and procedures of the State Board of Investment.

Sec. 2. Minnesota Statutes 2022, section 13.7931, is amended by adding a subdivision to read:

Subd. 7. **Forest industry data.** Information that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses is classified under section 84.0871.

Sec. 3. Minnesota Statutes 2022, section 16A.125, subdivision 5, is amended to read:

Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of management and budget shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

(c) After a fiscal year, the commissioner of management and budget shall certify the costs incurred for forestry during that year under appropriations for the improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the

lands. After presentation to the Legislative Permanent School Fund Commission or by June 30 each year, whichever is sooner, the commissioner of natural resources shall supply the commissioner of management and budget with the information needed for the certificate. The certificate shall include an analysis that compares costs certified under this section with costs incurred on other public and private lands with similar land assets.

(d) After a fiscal year, the commissioner shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall be transferred to the forest management investment account established under section 89.039;

(2) the amount of costs incurred by the Legislative Permanent School Fund Commission under section 127A.30, and by the school trust lands director under section 127A.353, shall be transferred to the general fund;

(3) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

(4) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

Sec. 4. Minnesota Statutes 2022, section 17.4983, subdivision 2, is amended to read:

Subd. 2. **Acquisition from state.** (a) The commissioner may sell aquatic life to licensed facilities at fair wholesale market value. Fair wholesale market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish and native rough fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair wholesale market value if there is a surplus from state operations.

Sec. 5. Minnesota Statutes 2022, section 17.4984, subdivision 2, is amended to read:

Subd. 2. **Listed waters.** (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

(2) whether aeration requiring a permit is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters. When artificial tanks, jars, or other containers are added to existing licensed facilities, an additional inspection is not required.

(d) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing ~~game~~ fish of significant public value, including game fish and native rough fish, may be denied licensing unless the game fish and native rough fish of significant public value are, at the commissioner's option, and taking into consideration the recommendation of the licensed applicant, sold to the licensee, or removed by the Department of Natural Resources or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

(g) Common carp and bullheads may be removed from licensed waters, and transported and disposed of by the licensee.

Sec. 6. Minnesota Statutes 2022, section 17.4988, subdivision 4, is amended to read:

Subd. 4. **Aquarium facility.** (a) A person operating a commercial aquarium facility must have a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is \$90.

(b) Game fish and native rough fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

Sec. 7. Minnesota Statutes 2022, section 17.4992, subdivision 1, is amended to read:

Subdivision 1. **Acquisition and purchase.** Game fish and native rough fish sperm, viable game fish and native rough fish eggs, or live game fish and native rough fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from aquatic farms.

Sec. 8. Minnesota Statutes 2022, section 17.4992, subdivision 3, is amended to read:

Subd. 3. **Acquisition of fish for brood stock.** (a) Game fish brood stock and native rough fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair wholesale market value. For brood stock development, up to 20 pair of adults of each species requested may be provided to a licensee once every three years, if available, by the state through normal operations.

(b) If brood stock is not available by the June 1 following the request under paragraph (a) and a permit to take brood stock by angling is requested by the licensee, within 30 days of the request, the commissioner may issue a permit to the licensee to take, by angling, up to 20 pairs of each species requested. Game and fish laws and rules relating to daily limits, seasons, and methods apply to the taking of fish by angling pursuant to a permit issued under this paragraph.

Sec. 9. Minnesota Statutes 2022, section 17.4996, is amended to read:

#### **17.4996 WHITE EARTH INDIAN RESERVATION.**

Until the commissioner reaches an agreement with the White Earth Indian Reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport native rough fish, as defined in section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth Reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source and number of the yellow perch.

Sec. 10. Minnesota Statutes 2022, section 41A.02, subdivision 6, is amended to read:

Subd. 6. **Agricultural resource project; project.** "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) buildings, equipment, and land used for the commercial production of turkeys or turkey products, (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially produced fish or native rough fish, as defined in section 97A.015, subdivision 43, or common carp that are not commercially produced, or (4) real or personal property used or useful in connection with a revenue-producing enterprise, or a combination of two or more revenue-producing enterprises engaged in a business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 11. Minnesota Statutes 2022, section 84.027, subdivision 12, is amended to read:

Subd. 12. **Property disposal; gift acknowledgment; advertising sales.** (a) The commissioner may recognize the contribution of money or in-kind services on plaques, signs, publications, audiovisual materials, and media advertisements by allowing the organization's contribution to be acknowledged in print of readable size.

(b) The commissioner may accept paid advertising for departmental publications. Advertising revenues received are appropriated to the commissioner to be used to defray costs of publications, media productions, or other informational materials. The commissioner may not accept paid advertising from any elected official or candidate for elective office.

(c) Notwithstanding section 16B.2975, subdivision 6, clause (2), if the commissioner determines that a transfer benefits the state's natural resources management or bison management, the commissioner may request that the commissioner of administration donate and convey bison to a governmental unit or nonprofit organization, in or outside Minnesota, or sell bison. The recipient of the bison is solely responsible for all future expenses related to the bison.

Sec. 12. **[84.0871] DATA ON FOREST INDUSTRY.**

(a) The following data that the Department of Natural Resources collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses are classified as private data on individuals, as defined in section 13.02, subdivision 12, if the data are data on individuals or as nonpublic data, as defined in section 13.02, subdivision 9, if the data are data not on individuals:

- (1) timber resource consumption;
- (2) origin of timber resources;
- (3) cost of delivered timber;
- (4) forest industry product output; and
- (5) production costs.

(b) Data that the department collects, receives, or maintains through voluntary responses to questionnaires or surveys by forest industry businesses and that are not specified under paragraph (a), clauses (1) to (5), are public data.

(c) Summary data, as defined in section 13.02, subdivision 19, that the department compiles from data under paragraph (a) or (b) are public data.

(d) Data collected, received, or maintained by the department from bidders on state timber under section 90.145 are not subject to this section.

Sec. 13. Minnesota Statutes 2022, section 84.0895, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** Notwithstanding any other law, a person may not take, import, transport, release, or sell any portion of an endangered or threatened species of wild animal or plant, or sell or possess with intent to sell an article made with any part of the skin, hide, or parts of an

endangered or threatened species of wild animal or plant, except as provided in subdivisions 2 and 7.

Sec. 14. Minnesota Statutes 2022, section 84.0895, subdivision 8, is amended to read:

Subd. 8. **Application.** This section does not apply retroactively ~~or prohibit importation into this state and subsequent possession, transport, and sale of wild animals, wild plants, or parts of wild animals or plants that are legally imported into the United States or legally acquired and exported from another territory, state, possession, or political subdivision of the United States.~~

Sec. 15. Minnesota Statutes 2022, section 84.96, subdivision 2, is amended to read:

Subd. 2. **Definition.** For the purposes of this section, "native prairie" means ~~land that has never been plowed, with less than ten percent tree cover and with predominantly native prairie vegetation~~ a grassland dominated by original native prairie vegetation, usually occurring where the sod has never been broken.

Sec. 16. Minnesota Statutes 2022, section 84.96, subdivision 3, is amended to read:

Subd. 3. **Easement acquisition.** (a) The commissioner may acquire native prairie for conservation purposes by entering into easements with landowners or with the land administrator of state school trust lands. Before acquiring easements under this subdivision on school trust lands, the commissioner must receive advice from the school trust lands director according to section 127A.353, subdivision 4. The easements must be conservation easements as defined in section 84C.01, clause (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner or land administrator and the commissioner.

(b) The easements may be permanent or of limited duration. Highest priority must be given to permanent easements consistent with the purposes of this section. Easements of limited duration must be for at least 20 years, with provision for renewal for at least another 20-year period. For easements of limited duration, the commissioner may reexamine and adjust the payment rates at the beginning of any renewal period after considering current land and crop values.

Sec. 17. Minnesota Statutes 2022, section 84.96, subdivision 5, is amended to read:

Subd. 5. **Payments.** (a) For interests in lands acquired under this section, the commissioner must make payments to the landowner ~~under~~ or land administrator according to this subdivision for the easement.

(b) ~~For a permanent easement, the commissioner must pay 65 percent of the permanent marginal agricultural land payment rate as established by the Board of Water and Soil Resources for the time period when the application is made.~~

(b) For a permanent easement, the commissioner may pay up to ten percent more than the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and cultural factors that take into consideration the global

rarity of native prairie. The rates must be based on the need to protect the extremely small amount of the globally vulnerable and imperiled remaining native prairie in Minnesota.

(c) For an easement of limited duration, the commissioner ~~must pay~~ may pay up to 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner or land administrator.

(e) If a native prairie qualifies for the native prairie bank but the landowner requests that the commissioner acquire the native prairie in fee rather than acquire an easement, the commissioner may acquire it as any outdoor recreation system classification under section 86A.05 with protections equivalent to a native prairie bank easement. For acquisition under this paragraph, the commissioner may pay up to 25 percent more than what the Board of Water and Soil Resources pays for noncrop easements. If the Board of Water and Soil Resources does not establish a noncrop easement payment rate, the commissioner must establish land value rates for payments considering market factors, such as county-assessed land value and sales ratio studies, along with ecological, biological, and cultural factors that take into consideration the global rarity of native prairie.

(f) For a permanent easement acquired on school trust lands under this section, the commissioner must pay no less than 100 percent of the easement's appraised value at the time of closing.

Sec. 18. Minnesota Statutes 2022, section 84B.061, is amended to read:

**84B.061 STATE JURISDICTION OVER RAINY LAKE AND OTHER NAVIGABLE WATERS; DUTIES OF GOVERNOR, ATTORNEY GENERAL, AND OTHER PUBLIC OFFICERS.**

As required by this chapter and the act of Congress authorizing Voyageurs National Park, the state of Minnesota donated in excess of 35,000 acres of state and other publicly owned land for the park, roughly one-fourth of the land area of the park, at a cost of over \$5,000,000 to the state. More than 24,000 acres of this land was state trust fund land which the state condemned before making its donation. Pursuant to section 84B.06, lands donated by the state, along with other lands acquired by the National Park Service for the park, were made subject to concurrent jurisdiction by the state and the United States under section 1.041. In making these donations, none of the navigable waters within the park and the lands under them have been donated to the United States. These navigable waters include the following: Rainy, Kabetogama, Namakan, Sand Point, and Crane Lakes. Pursuant to applicable federal and state law, navigable waters and their beds are owned by the state. Ownership of and jurisdiction over these waters and their beds has not been ceded by the state, either expressly or implicitly, to the United States. Unlike section 1.044 relating to the Upper Mississippi Wildlife and Fish Refuge, where the state expressly granted its consent and jurisdiction to the United States to acquire interests in water, as well as land, the consent granted by the state in section 84B.06 to acquisitions by the United States for Voyageurs National Park is limited to land, only. In the discharge of their official duties, the governor, attorney general, other constitutional officers, and other public officials, such as the commissioner of natural resources, shall vigorously assert and defend, in all forums, the state's ownership of and jurisdiction over these waters and their beds and related natural

resources, together with associated rights of the state and its citizens arising from the state's ownership and jurisdiction. In discharging their duties, the governor, attorney general, other constitutional officers, and other public officials shall, additionally, be especially cognizant of the free rights of travel afforded to citizens of Minnesota and others under the Webster-Ashburton Treaty (proclaimed November 10, 1842) and the Root-Bryce Treaty (proclaimed May 13, 1910) on international and associated boundary waters. Also, in furtherance of duties under this section, the commissioner of natural resources shall continue in effect the commercial removal of native rough fish, as defined in section 97A.015, subdivision 43, from these waters, together with any rights to do so possessed by any person on January 1, 1995, so long as the commissioner determines that such taking is desirable to the management of the native fishery.

Sec. 19. Minnesota Statutes 2022, section 88.82, is amended to read:

**88.82 MINNESOTA RELEAF PROGRAM.**

The Minnesota releaf program is established in the Department of Natural Resources to encourage, promote, and fund the inventory, planting, assessment, maintenance, improvement, protection, utilization, and restoration of trees and forest resources in this state to enhance community forest ecosystem health and sustainability as well as to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 20. Minnesota Statutes 2022, section 89.36, subdivision 1, is amended to read:

Subdivision 1. **Production at state nurseries.** The commissioner of natural resources may produce tree planting stock for the purposes of sections 89.35 to 89.39 upon any lands under control of the commissioner which may be deemed suitable and available therefor so far as not inconsistent with other uses to which such lands may be dedicated by law. ~~The commissioner may not produce more than 10,000,000 units of planting stock annually, after January 1, 2003.~~

Sec. 21. Minnesota Statutes 2022, section 89.37, subdivision 3, is amended to read:

Subd. 3. **Private lands.** The commissioner may supply ~~only bare-root~~ seedlings, woody cuttings, and transplant material for use on private land, provided that such material must be sold in lots of not less than 250 for a sum determined by the commissioner to be equivalent to the cost of the materials and the expenses of their distribution. The commissioner may not directly or indirectly supply any other planting stock for use on private lands.

Sec. 22. Minnesota Statutes 2022, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The committee expires June 30, ~~2026~~ 2036.

Sec. 23. Minnesota Statutes 2022, section 97A.015, subdivision 3b, is amended to read:

Subd. 3b. **Bow fishing.** "Bow fishing" means taking native rough fish and common carp by archery where the arrows are tethered or controlled by an attached line.

Sec. 24. Minnesota Statutes 2022, section 97A.015, subdivision 39, is amended to read:

Subd. 39. **Protected wild animals.** "Protected wild animals" means big game, small game, game fish, native rough fish, minnows, leeches, ~~alewives, ciscoes, chubs, lake whitefish and the~~



~~subfamily Coregoninae, rainbow smelt,~~ frogs, turtles, clams, mussels, wolf, mourning doves, bats, snakes, salamanders, lizards, any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles.

Sec. 25. Minnesota Statutes 2022, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Native rough fish.** "Native rough fish" means ~~carp, buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead,~~ Amiidae (bowfin), Catostomidae (bigmouth, smallmouth, and black buffalo; white, blue, spotted, and longnose sucker; northern hogsucker; quillback; river and highfin carpsucker; and black, river, shorthead, golden, silver, and greater redhorse), Hiodontidae (goldeye and mooneye), Ictaluridae (black, brown, and yellow bullhead), Lepisosteidae (longnose and shortnose gar), and Sciaenidae (freshwater drum), except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 26. Minnesota Statutes 2022, section 97A.015, is amended by adding a subdivision to read:

Subd. 47a. **Taxidermist.** "Taxidermist" means a person who engages in the business or operation of preserving or mounting wild animals or parts thereof that do not belong to the person.

Sec. 27. Minnesota Statutes 2022, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. ~~Citizen oversight committees~~ **Fish and Wildlife Advisory Committee.** (a) The commissioner shall appoint ~~committees~~ a committee of at least 15 affected persons to:

(1) review the reports prepared under subdivision 4;

(2) ~~review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information~~ annual outcomes achieved from game and fish fund expenditures; and

(3) make recommendations to the legislature and the commissioner for ~~desired outcomes related to:~~

(i) protecting habitat;

(ii) fish and wildlife population management;

(iii) monitoring and research;

(iv) communications and engagement; and

(v) improvements in the management and use of money in the game and fish fund.

~~(b) The commissioner shall appoint the following committees, each comprised of at least ten affected persons:~~

~~(1) a Fisheries Oversight Committee to review fisheries funding and expenditures, including activities related to trout and salmon stamps and walleye stamps; and~~

~~(2) a Wildlife Oversight Committee to review wildlife funding and expenditures, including activities related to migratory waterfowl, pheasant, and wild turkey management and deer and big game management.~~

~~(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee, and four additional members from each committee, shall form a Budgetary Oversight Committee to coordinate the integration of the fisheries and wildlife oversight committee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; and provide a forum to address issues that transcend the fisheries and wildlife oversight committees.~~

~~(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance.~~

~~(e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight Committee shall be chosen by their respective committees. The chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of either of the other oversight committees.~~

~~(f) The Budgetary Oversight Committee may make recommendations to the commissioner and to the senate and house of representatives committees with jurisdiction over natural resources finance for outcome goals from expenditures.~~

(b) The chair and the vice-chair of the Fish and Wildlife Advisory Committee are appointed by the commissioner.

(c) By September 15 each year, the committee must submit a report to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources finance and policy. Each even-numbered year, the report must focus on biennial budget outcomes achieved from game and fish fund expenditures. Each odd-numbered year, the report must focus on outcomes related to protecting habitat, fish and wildlife population management, monitoring and research, and communications and engagement.

(d) Annually, the Fish and Wildlife Advisory Committee must hold a meeting for the public to review proposed priorities for the next reporting period. The meeting must be organized to allow virtual participation.

~~(g) (e) The committees committee authorized under this subdivision are is not an advisory councils council or committees committee governed by section 15.059 and are is not subject to section 15.059. Committee members appointed by the commissioner may request reimbursement for mileage expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Committee members must not receive daily compensation for oversight committee activities. The Fisheries Oversight Committee, the Wildlife Oversight Committee, and the Budgetary Oversight Committee expire June 30, 2025. The Fish and Wildlife Advisory Committee expires June 30, 2033.~~

Sec. 28. Minnesota Statutes 2022, section 97A.075, subdivision 2, is amended to read:

Subd. 2. **Minnesota migratory-waterfowl stamp.** (a) Ninety percent of the revenue from the Minnesota migratory-waterfowl stamps must be credited to the waterfowl habitat improvement account and is appropriated to the commissioner only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, ~~rough fish~~ common carp barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) acquisition of and access to structure sites; and

(5) the promotion of waterfowl habitat development and maintenance, including promotion and evaluation of government farm program benefits for waterfowl habitat.

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), (4), or (5), or to specific management activities under paragraph (a), clause (2).

Sec. 29. Minnesota Statutes 2022, section 97A.341, subdivision 1, is amended to read:

Subdivision 1. **Liability for restitution.** A person who kills, injures, or possesses a wild animal in violation of the game and fish laws or section 343.21 is liable to the state for the value of the wild animal as provided in this section. Species afforded protection include members of the following groups as defined by statute or rule: game fish, ~~native rough fish~~, game birds, big game, small game, fur-bearing animals, minnows, and threatened and endangered animal species. Other animal species may be added by rule of the commissioner as determined after public meetings and notification of the chairs of the environment and natural resources committees in the senate and house of representatives.

Sec. 30. Minnesota Statutes 2022, section 97A.341, subdivision 2, is amended to read:

Subd. 2. **Arrest and charging procedure.** (a) An enforcement officer who arrests a person for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21 must describe the number, species, and restitution value of wild animals illegally killed, injured, or possessed on the warrant or the notice to appear in court.

(b) As part of the charge against a person arrested for killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the prosecuting attorney must include a demand that restitution be made to the state for the value of the wild animal killed, injured, or possessed. The demand for restitution is in addition to the criminal penalties otherwise provided for the violation.

Sec. 31. Minnesota Statutes 2022, section 97A.341, subdivision 3, is amended to read:

Subd. 3. **Sentencing procedure.** If a person is convicted of or pleads guilty to killing, injuring, or possessing a wild animal in violation of the game and fish laws or section 343.21, the court must require the person to pay restitution to the state for replacement of the wild animal as part of the sentence or state in writing why restitution was not imposed. The court may consider the economic circumstances of the person and, in lieu of monetary restitution, order the person to perform conservation work representing the amount of restitution that will aid the propagation of wild animals. If the court does not order a person to pay restitution, the court administrator must send a copy of the court order to the commissioner.

Sec. 32. Minnesota Statutes 2022, section 97A.345, is amended to read:

**97A.345 RESTITUTION VALUE OF WILD ANIMALS.**

(a) The commissioner may, by rules adopted under chapter 14, prescribe the dollar value to the state of species of wild animals. The value may reflect the value to other persons to legally take the wild animal, the replacement cost, or the intrinsic value to the state of the wild animals. Species of wild animals with similar values may be grouped together.

(b) The value of a wild animal under the rules adopted by the commissioner is prima facie evidence of a wild animal's value under section 97A.341.

(c) The commissioner shall report annually to the legislature the amount of restitution collected under section 97A.341 and the manner in which the funds were expended.

(d) When a person kills, injures, or possesses a wild animal in violation of section 343.21, the restitution value prescribed by the commissioner under paragraph (a) is doubled.

Sec. 33. Minnesota Statutes 2023 Supplement, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession:

(1) the proper paper license, if the license has been issued to and received by the person;

(2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19;

(3) the proper paper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or

(4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer: (1) the proper paper license if the license has been issued to and received by the person; (2) a driver's license or Minnesota identification card that bears a valid designation of the proper lifetime license, as provided under section 171.07, subdivision 19; (3) the proper paper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the

commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received; or (4) electronic or other evidence satisfactory to the commissioner that the person has the proper paperless license. A person charged with violating the license possession requirement shall not be convicted if the person produces in court or the office of the arresting officer, the actual license previously issued to that person, which was valid at the time of arrest, or satisfactory proof that at the time of the arrest the person was validly licensed. Upon request of a conservation officer or peace officer, a licensee shall write the licensee's name in the presence of the officer to determine the identity of the licensee.

(c) Except as provided in paragraph (a), clauses (2) and (4), if the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A paper license issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee after purchase of a stamp validation only if the licensee pays an additional fee that covers the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be purchased for a fee that covers the costs of producing and mailing the pictorial stamp. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees for providing the pictorial stamps. The fees must be set in an amount that does not recover significantly more or less than the cost of producing and mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(e) Notwithstanding paragraphs (a), (b), and (c), a person may use a digital image of a paper license issued to and received by the person to meet the requirement to possess the proper paper license under paragraph (a), clause (1), and may exhibit to a conservation officer or peace officer a digital image of a paper license issued to and received by the person to meet the requirements of paragraph (b). This paragraph expires March 1, 2026.

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

Sec. 34. Minnesota Statutes 2022, section 97A.421, subdivision 2, is amended to read:

Subd. 2. **Issuance after conviction; buying and selling wild animals.** A person may not obtain a license to take any wild animal or take wild animals under a lifetime license, issued under section 97A.473 or 97A.474, for a period of three years after being convicted of buying or selling game fish, native rough fish, big game, or small game, and the total amount of the sale is \$300 or more.

Sec. 35. Minnesota Statutes 2022, section 97A.425, is amended by adding a subdivision to read:

Subd. 3a. **Waste disposal.** (a) Licensed taxidermists must dispose of all cervid carcasses or cervid parts not returned to the patron, all biosolids resulting from cleaning cervid skulls, and all carrion beetles and beetle waste used to clean cervid skulls. All disposals must be to a disposal facility or transfer station that is permitted to accept it, and proof of the disposal must be retained for inspection.

(b) The following cervid parts are exempt from the disposal requirement:

- (1) cervid hides from which all excess tissue has been removed;
- (2) if free of brain and muscle tissues, whole or portions of skulls, antlers, or teeth; and
- (3) finished taxidermy mounts.

Sec. 36. Minnesota Statutes 2022, section 97A.425, subdivision 4, is amended to read:

Subd. 4. **Rules.** The commissioner may adopt rules, not inconsistent with subdivisions 1 to 3a, governing record keeping, reporting, and marking of specimens by taxidermists.

Sec. 37. Minnesota Statutes 2022, section 97A.475, subdivision 39, is amended to read:

Subd. 39. **Fish packer.** The fee for a license to prepare dressed game fish or native rough fish for transportation or shipment is \$40.

Sec. 38. Minnesota Statutes 2022, section 97A.505, subdivision 8, is amended to read:

Subd. 8. **Importing Cervidae carcasses.** (a) Importing Cervidae carcasses procured by any means into Minnesota is prohibited except for:

- (1) cut and wrapped meat;
- (2) quarters or other portions of meat with no part of the spinal column or head attached;
- (3) antlers, hides, or teeth, ~~finished taxidermy mounts, and~~
- (4) if cleaned of all brain tissue, antlers attached to skull caps ~~that are cleaned of all brain tissue,~~  
or whole skulls; and
- (5) finished taxidermy mounts.

(b) Cervidae carcasses originating from outside Minnesota may be transported on a direct route through the state by nonresidents.

(c) Heads from cervids with or without the cape and neck attached that originate from outside Minnesota may be transported into Minnesota only if they are delivered to a licensed taxidermist within 48 hours of entering Minnesota.

Sec. 39. Minnesota Statutes 2022, section 97A.551, subdivision 2, is amended to read:

Subd. 2. **Fish transported through state.** A person may not transport game fish or native rough fish taken in another state or country through the state during the closed season or in excess of the possession limit unless the fish are:

- (1) transported by common carrier; or
- (2) tagged, sealed, or marked as prescribed by the commissioner.

Sec. 40. Minnesota Statutes 2022, section 97B.022, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) A resident or nonresident born after December 31, 1979, who is age 12 or over and who does not possess a hunter education firearms safety certificate or a resident or nonresident born after December 31, 1989, who does not possess a trapper education certificate may be issued an apprentice-hunter/trapper validation. An apprentice-hunter/trapper validation may be purchased two license years in a lifetime and used to obtain hunting or trapping licenses during the same license year that the validation is purchased.

(b) An individual in possession of an apprentice-hunter/trapper validation may ~~hunt~~ take small game, deer, and bear only when accompanied by an adult who has a valid license to ~~hunt~~ take the same species of game in Minnesota and whose license was not obtained using an apprentice-~~hunter~~ validation.

(c) When an individual in possession of an apprentice-hunter/trapper validation is hunting turkey or prairie chicken under paragraph (b), the accompanying adult may be licensed for another permit area or time period but must be licensed for the same season as the apprentice hunter. If the accompanying adult is not licensed for the same permit area or time period as the apprentice hunter, the accompanying adult may not shoot or possess a firearm or bow while accompanying the apprentice hunter under this paragraph.

(d) An apprentice-hunter/trapper-validation holder must obtain all required licenses and stamps.

Sec. 41. Minnesota Statutes 2022, section 97B.022, subdivision 3, is amended to read:

Subd. 3. **Apprentice-hunter/trapper validation; fee.** The fee for an apprentice-hunter/trapper validation is \$3.50. Fees collected must be deposited in the firearms safety and trapper education training account, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected under section 97A.485, subdivision 6, and are appropriated annually to the Enforcement Division of the Department of Natural Resources for administering the firearm safety course ~~program~~ and trapper education programs.

Sec. 42. Minnesota Statutes 2023 Supplement, section 97B.037, is amended to read:

#### **97B.037 CROSSBOW HUNTING.**

(a) Notwithstanding section 97B.035, subdivisions 1 and 2, a person may take deer, bear, turkey, common carp, or native rough fish by crossbow during the respective regular archery seasons. The transportation requirements of section 97B.051 apply to crossbows during the regular archery deer, bear, turkey, common carp, or native rough fish season. Crossbows must meet the requirements of section 97B.106, subdivision 2. A person taking deer, bear, turkey, common carp, or native rough fish by crossbow under this section must have a valid license to take the respective game.

(b) This section expires June 30, 2025.

Sec. 43. Minnesota Statutes 2022, section 97B.055, subdivision 2, is amended to read:

Subd. 2. **Restrictions related to motor vehicles.** (a) A person may not take a wild animal with a firearm or by archery from a motor vehicle except as permitted in this section.

(b) A person may not shoot at a decoy of a wild animal that is placed by a licensed peace officer by:

- (1) discharging a firearm from a motor vehicle; or
- (2) discharging an arrow from a bow from a motor vehicle.

(c) Notwithstanding section 97B.091, a person may transport a bow uncased while in a motorized watercraft and may take native rough fish and common carp while in the boat as provided in section 97C.376, subdivision 3.

Sec. 44. Minnesota Statutes 2023 Supplement, section 97B.071, is amended to read:

**97B.071 CLOTHING AND GROUND BLIND REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.**

(a) Except as provided in rules adopted under paragraph (d), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (d), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) A person hunting deer in a fabric or synthetic ground blind on public land must have:

(1) a blaze orange safety covering on the top of the blind that is visible for 360 degrees around the blind; or

(2) at least 144 square inches of blaze orange material on each side of the blind.

(d) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

(e) A violation of paragraph (b) does not result in a penalty, but is punishable only by a safety warning.

Sec. 45. Minnesota Statutes 2022, section 97B.106, is amended to read:

**97B.106 CROSSBOW PERMITS FOR HUNTING AND FISHING.**

Subdivision 1. **Eligibility.** (a) The commissioner may issue a special permit, without a fee, to take big game, small game, ~~or~~ native rough fish, or common carp with a crossbow to a person that is unable to hunt or take native rough fish or common carp by archery because of a permanent or



temporary physical disability. A crossbow permit issued under this section also allows the permittee to use a bow with a mechanical device that draws, releases, or holds the bow at full draw as provided in section 97B.035, subdivision 1, paragraph (a).

(b) To qualify for a crossbow permit under this section, a temporary disability must render the person unable to hunt or fish by archery for a minimum of two years after application for the permit is made. The permanent or temporary disability must be established by medical evidence, and the inability to hunt or fish by archery for the required period of time must be verified in writing by (1) a licensed physician, licensed advanced practice registered nurse, or licensed physician assistant; or (2) a licensed chiropractor. A person who has received a special permit under this section because of a permanent disability is eligible for subsequent special permits without providing medical evidence and verification of the disability.

(c) The person must obtain the appropriate license.

Subd. 2. **Equipment requirements.** (a) A crossbow used for hunting under the provisions of this section must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a working safety; and
- (4) be used with arrows or bolts at least ten inches long.

(b) An arrow or bolt used to take big game or turkey under the provisions of this section must meet the legal arrowhead requirements in section 97B.211, subdivision 2.

(c) An arrow or bolt used to take native rough fish or common carp with a crossbow under the provisions of this section must be tethered or controlled by an attached line.

Sec. 46. Minnesota Statutes 2022, section 97B.318, subdivision 1, is amended to read:

Subdivision 1. **Shotgun use area.** During the regular firearms season in the shotgun use area, only legal shotguns loaded with single-slug shotgun shells, legal muzzle-loading long guns, and legal handguns may be used for taking deer. Legal shotguns include those with rifled barrels. The shotgun use area is that portion of the state ~~lying within the following described boundary: Beginning on the west boundary of the state at the northern boundary of Clay County; thence along the northern boundary of Clay County to State Trunk Highway (STH) 32; thence along STH 32 to STH 34; thence along STH 34 to Interstate Highway 94 (I-94); thence along I-94 to County State-Aid Highway (CSAH) 40, Douglas County; thence along CSAH 40 to CSAH 82, Douglas County; thence along CSAH 82 to CSAH 22, Douglas County; thence along CSAH 22 to CSAH 6, Douglas County; thence along CSAH 6 to CSAH 14, Douglas County; thence along CSAH 14 to STH 29; thence along STH 29 to CSAH 46, Otter Tail County; thence along CSAH 46, Otter Tail County, to CSAH 22, Todd County; thence along CSAH 22 to U.S. Highway 71; thence along U.S. Highway 71 to STH 27; thence along STH 27 to the Mississippi River; thence along the east bank of the Mississippi River to STH 23; thence along STH 23 to STH 95; thence along STH 95 to U.S. Highway 8; thence along U.S. Highway 8 to the eastern boundary of the state; thence along the east, south, and west~~

boundaries of the state to the point of beginning consisting of Blue Earth, Dodge, Nicollet, and Olmsted Counties, until such time as each respective county elects not to be included in the shotgun use area.

Sec. 47. Minnesota Statutes 2022, section 97B.516, is amended to read:

**97B.516 PLAN FOR ELK MANAGEMENT.**

(a) The commissioner of natural resources must adopt an elk management plan that:

(1) recognizes the value and uniqueness of elk;

(2) provides for integrated management of an elk population in harmony with the environment;  
and

(3) affords optimum recreational opportunities.

~~(b) Notwithstanding paragraph (a), the commissioner must not manage an elk herd in Kittson, Roseau, Marshall, or Beltrami Counties in a manner that would increase the size of the herd, including adoption or implementation of an elk management plan designed to increase an elk herd, unless the commissioner of agriculture verifies that crop and fence damages paid under section 3.7371 and attributed to the herd have not increased for at least two years.~~

~~(e) (b) At least 60 days prior to before implementing a plan to increase an elk herd, the commissioners of natural resources and agriculture must hold a joint public meeting in the county where the elk herd to be increased is located. At the meeting, the commissioners must present evidence that crop and fence damages have not increased in the prior two years and must detail the practices that will be used to reduce elk conflicts with area landowners.~~

Sec. 48. Minnesota Statutes 2022, section 97C.001, subdivision 2, is amended to read:

Subd. 2. **Public notice and meeting comment.** (a) Before the commissioner designates, or vacates or extends the designation of, experimental waters, ~~a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed change must be provided in the county where the largest portion of the waters is located, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

~~(b) At least 90 days before the public meeting and during the open angling season for fish the taking of which is, or is proposed to be, regulated under subdivision 3 on the waters under consideration, Before the year that the designation is to become effective, the commissioner must give notice of the proposed designation, vacation, or extension must be. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:~~

(1) signs of the proposed changes and instructions for submitting comments posted at publicly maintained access points on the water; by June 1;

(2) a list of proposed changes posted on the department's website by June 1, summarizing the proposed actions and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 20, and at least one more digital media communication published by August 31.

(c) Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed experimental waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting. A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water or connected waters to be designated is over 5,000 acres or a stream or river reach is over 10 miles; or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

~~(e) If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

Sec. 49. Minnesota Statutes 2022, section 97C.005, subdivision 2, is amended to read:

Subd. 2. **Public notice and ~~meeting~~ comment.** (a) Before the commissioner designates special management waters, ~~public comment must be received and, for waters other than those proposed to be designated as trout streams or trout lakes, a public meeting must be held in the county where the largest portion of the waters is located~~ notice of the proposed designation must be given, a virtual or in-person meeting must be held, and opportunity to submit public comment must be offered.

~~(b) For waters previously designated as experimental waters, a proposed change in status to special management waters must be announced before the public meeting by notice published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. The notice must be published at least once between 30 and 60 days before the public meeting, and at least once between seven and 30 days before the meeting. If a water proposed to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

~~(c) For proposed special management waters, other than designated trout lakes and designated trout streams, that were not previously designated as experimental waters, notice of the proposed designation must be given as provided in this paragraph. The notice must be posted at publicly maintained access points at least 90 days before the public meeting and during the open angling~~

~~season for fish the taking of which on the waters is proposed to be regulated under subdivision 3. Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed special management waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting. If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.~~

(b) For proposed special management waters other than designated trout lakes and designated trout streams, before the year that the designation is to become effective, the commissioner must give notice of the proposed designation. The notice must summarize the proposed action and invite public comment. Public comments must be accepted at least through September 30, and the commissioner must consider any public comments received in making a final decision. Notice must include:

(1) signs of the proposed designation and instructions for submitting comments posted at publicly maintained access points on the water by June 1;

(2) a list of proposed designations posted on the department's website by June 1, summarizing the proposed action and inviting public comment; and

(3) a news release issued by the commissioner by July 1, a notice published in a newspaper of general circulation in the area where the waters are located by August 15, and at least one more digital media communication published by August 31.

(c) A virtual or in-person meeting must be held before September 20 where public comment must be accepted. An in-person meeting, where public comment must be accepted, must be held in the county where the largest portion of the waters is located if:

(1) a water to be designated is a lake over 5,000 acres or is a stream or river reach over 10 miles;  
or

(2) a request for an in-person meeting is submitted to the commissioner by August 20 before the year that the designation is to become effective.

(d) For waters proposed to be designated as trout streams or trout lakes, notice of the proposed designation must be published at least 90 days before the effective date of the designation in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. In addition, all riparian owners along the waters must be notified at least 90 days before the effective date of the designation.

(e) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

Sec. 50. Minnesota Statutes 2022, section 97C.025, is amended to read:

**97C.025 FISHING AND MOTORBOATS RESTRICTED IN CERTAIN AREAS.**

(a) The commissioner may prohibit or restrict the taking of fish or the operation of motorboats by posting waters that:

(1) are designated as spawning beds or fish preserves;

(2) are being used by the commissioner for fisheries research or management activities; or

(3) are licensed by the commissioner as a private fish hatchery or aquatic farm under section 17.4984, subdivision 1, or 97C.211, subdivision 1.

An area may be posted under this paragraph if necessary to prevent excessive depletion of fish or interference with fisheries research or management activities or private fish hatchery or aquatic farm operations.

(b) The commissioner will consider the following criteria in determining if waters licensed under a private fish hatchery or aquatic farm should be posted under paragraph (a):

(1) the waters contain game fish brood stock or native rough fish brood stock and the brood stock ~~that are~~ is vital to the private fish hatchery or aquatic farm operation;

(2) game fish or native rough fish are present in the licensed waters only as a result of aquaculture activities by the licensee; and

(3) no public access to the waters existed when the waters were first licensed.

(c) A private fish hatchery or aquatic farm licensee may not take fish or authorize others to take fish in licensed waters that are posted under paragraph (a), except as provided in section 17.4983, subdivision 3, and except that if waters are posted to allow the taking of fish under special restrictions, licensees and others who can legally access the waters may take fish under those special restrictions.

(d) Before March 1, 2003, riparian landowners adjacent to licensed waters on April 30, 2002, and riparian landowners who own land adjacent to waters licensed after April 30, 2002, on the date the waters become licensed waters, plus their children and grandchildren, may take two daily limits of fish per month under an angling license subject to the other limits and conditions in the game and fish laws.

(e) Except as provided in paragraphs (c), (d), and (f), a person may not take fish or operate a motorboat if prohibited by posting under paragraph (a).

(f) An owner of riparian land adjacent to an area posted under paragraph (a) may operate a motorboat through the area by the shortest direct route at a speed of not more than five miles per hour.

(g) Postings for water bodies designated under paragraph (a), clause (1), or being used for fisheries research or management under paragraph (a), clause (2), are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Sec. 51. Minnesota Statutes 2022, section 97C.035, subdivision 3, is amended to read:

Subd. 3. **Taking fish.** (a) The commissioner may authorize residents to take fish:

- (1) in any quantity;
- (2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and
- (3) for personal use only, except ~~rough fish~~ common carp may be sold.

(b) The commissioner may authorize the taking of fish by posting notice conspicuously along the shore of the waters and publishing a news release in a newspaper of general circulation in the area where the waters are located.

Sec. 52. Minnesota Statutes 2023 Supplement, section 97C.041, is amended to read:

**97C.041 COMMISSIONER MAY REMOVE NATIVE ROUGH FISH.**

The commissioner may take native rough fish, common carp, and rainbow smelt with seines, nets, and other devices. The commissioner may hire or contract persons, or issue permits, to take the fish. The commissioner shall prescribe the manner of taking and disposal. The commissioner may award a contract under this section without competitive bidding. Before establishing the contractor's compensation, the commissioner must consider the qualifications of the contractor, including the contractor's equipment, knowledge of the waters, and ability to perform the work.

Sec. 53. Minnesota Statutes 2022, section 97C.045, is amended to read:

**97C.045 REMOVING COMMON CARP AND NATIVE ROUGH FISH FROM BOUNDARY WATERS.**

The commissioner may enter into agreements with North Dakota, South Dakota, Wisconsin, and Iowa, relating to the removal of common carp and native rough fish in boundary waters. The agreements may include:

- (1) contracting to remove common carp and native rough fish;
- (2) inspection of the work;
- (3) the division of proceeds; and
- (4) regulating the taking of common carp and native rough fish.

Sec. 54. Minnesota Statutes 2022, section 97C.081, subdivision 3a, is amended to read:

Subd. 3a. **No permit required.** A person may conduct a fishing contest without a permit from the commissioner if:

- (1) the contest is not limited to specifically named waters;
- (2) the contest is limited to ~~rough fish~~ common carp and participants are required to fish with a hook and line; or
- (3) the total prize value is \$500 or less.

Sec. 55. Minnesota Statutes 2022, section 97C.211, subdivision 5, is amended to read:

Subd. 5. **Price of game fish fry and eggs.** The commissioner may sell or barter game fish or native rough fish fry or eggs for not less than the cost associated with the production of eggs or fry.

Sec. 56. Minnesota Statutes 2023 Supplement, section 97C.371, subdivision 1, is amended to read:

Subdivision 1. **Species allowed.** Only common carp, native rough fish, catfish, lake whitefish, cisco (tulibee), and northern pike may be taken by spearing.

Sec. 57. Minnesota Statutes 2022, section 97C.375, is amended to read:

**97C.375 TAKING NATIVE ROUGH FISH AND COMMON CARP BY SPEARING.**

(a) A resident or nonresident may take native rough fish and common carp by spearing according to paragraph (b) and during the times, in waters, and in the manner prescribed by the commissioner.

(b) Suckers may be taken by spearing from ~~the last Saturday in April~~ May 1 through the last ~~Sunday day~~ in February.

Sec. 58. Minnesota Statutes 2022, section 97C.376, subdivision 1, is amended to read:

Subdivision 1. **Season.** (a) The regular bow-fishing season for residents and nonresidents is from ~~the last Saturday in April to~~ May 1 through the last ~~Sunday day~~ in February at any time of the day.

(b) The early bow-fishing season for residents and nonresidents is open only south of State Highway 210 from ~~the Monday after the last Sunday in February to the Friday before~~ March 1 through the last ~~Saturday day~~ in April at any time of the day. During the early season, a person may bow fish:

(1) only from a boat; and

(2) only while on a lake or on the Mississippi, Minnesota, or St. Croix River.

Sec. 59. Minnesota Statutes 2022, section 97C.376, subdivision 5, is amended to read:

Subd. 5. **Returning native rough fish and common carp to waters.** Native rough fish and common carp taken by bow fishing ~~shall~~ must not be returned to the water, and native rough fish and common carp may not be left on the banks of any water of the state.

Sec. 60. Minnesota Statutes 2022, section 97C.381, is amended to read:

**97C.381 HARPOONING NATIVE ROUGH FISH.**

A resident or nonresident may use a rubber powered gun, spring gun, or compressed air gun to take native rough fish and common carp by harpooning. The harpoon must be fastened to a line not more than 20 feet long. The commissioner may prescribe the times, the waters, and the manner for harpooning native rough fish and common carp.

Sec. 61. Minnesota Statutes 2022, section 97C.385, is amended to read:

**97C.385 COMMISSIONER'S AUTHORITY TO REGULATE WINTER FISHING.**

Subdivision 1. **Effect on summer angling season.** If the commissioner closes the statutory open season for ~~the spearing of a game fish or native rough fish~~ species in any waters, the commissioner must, in the same rule, close the following statutory open season for angling for the same species in the waters in the same proportion.

Subd. 2. **Effect on summer angling limits.** If the commissioner reduces the limit of a species of game fish or native rough fish taken by spearing in any waters under section 97A.045, subdivision 2, the commissioner must reduce the limit for taking ~~of the species by angling~~ in the waters during the following open season for angling.

Subd. 3. **Limiting closures by county.** The commissioner may not close the open season for taking game fish or native rough fish through the ice on more than 50 percent of the named lakes or streams of a county under section 97A.045, subdivision 2.

Sec. 62. Minnesota Statutes 2022, section 97C.391, subdivision 1, is amended to read:

Subdivision 1. **General restrictions.** A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) ~~rough fish~~ common carp;
- (3) smelt taken from Lake Superior and rivers and streams that flow into Lake Superior;
- (4) fish taken under licensed commercial fishing operations;
- (5) fish that are private aquatic life; and
- (6) fish lawfully taken and subject to sale from other states and countries.

Sec. 63. Minnesota Statutes 2022, section 97C.395, as amended by Laws 2023, chapter 60, article 4, section 70, is amended to read:

**97C.395 OPEN SEASONS FOR ANGLING.**

Subdivision 1. **Dates for certain species.** (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend through the last Sunday in February;

(2) ~~for lake trout, from January 1 through October 31;~~



~~(3) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located outside or partially within the Boundary Waters Canoe Area, from January 15 through March 31;~~

~~(4) for the winter season for lake trout, brown trout, brook trout, rainbow trout, and splake on all lakes located entirely within the Boundary Waters Canoe Area, from January 1 through March 31;~~

~~(5)~~ (2) for brown trout, brook trout, lake trout, rainbow trout, and splake, between January 1 through October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

~~(6)~~ (3) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Subd. 2. **Continuous season for certain species.** For sunfish, white crappie, black crappie, yellow perch, channel catfish, rock bass, white bass, yellow bass, burbot, cisco (tullibee), common carp, lake whitefish, and native rough fish, the open season is continuous.

Sec. 64. Minnesota Statutes 2022, section 97C.411, is amended to read:

#### **97C.411 STURGEON AND PADDLEFISH.**

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by rule of the commissioner. ~~The commissioner may only allow the taking of these fish in waters that the state boundary passes through and in tributaries to the St. Croix River.~~

Sec. 65. Minnesota Statutes 2022, section 97C.505, subdivision 8, is amended to read:

Subd. 8. **Possession for minnow dealers.** When nets and traps are lawfully set and tended, minnows ~~and~~ incidentally taken game fish under four inches in length, and incidentally taken native rough fish that are not classified as minnows are not considered to be in possession until the minnows, native rough fish, or game fish are placed on a motor vehicle or trailer for transport on land.

Sec. 66. Minnesota Statutes 2022, section 97C.801, subdivision 2, is amended to read:

Subd. 2. **Commercial fish netting on Mississippi River.** (a) A license is required to commercially take native rough fish with seines in the Mississippi River from the St. Croix River junction to St. Anthony Falls.

(b) A person may take native rough fish in the Mississippi River, from the St. Croix River junction to St. Anthony Falls, only with the following equipment and methods:

(1) operations shall be conducted only in the flowing waters of the river and in tributary backwaters prescribed by the commissioner;

(2) seines may be used only as prescribed by this section and rules adopted by the commissioner;

- (3) seines must be hauled to a landing immediately after being placed;
- (4) two seines may not be joined together in the water; and
- (5) a seine may not be landed between sunset and sunrise.

Sec. 67. Minnesota Statutes 2022, section 97C.805, subdivision 1, is amended to read:

Subdivision 1. **Open season.** (a) The commissioner shall, by rule, prescribe the open season and open state waters for netting lake whitefish and ciscoes. The commissioner may open specific lakes and waters that are otherwise closed if the commissioner posts notice of the date and time in appropriate public places at least 48 hours before the open season begins.

(b) The commissioner may close specific lakes and waters that are otherwise open under this subdivision if the commissioner posts notice of the closing at a minimum of three sites on the shore of the waters, including all public water-access sites. Before closing waters under this paragraph, the commissioner shall determine that the closure is necessary to protect game fish or native rough fish populations.

Sec. 68. Minnesota Statutes 2022, section 97C.805, subdivision 4, is amended to read:

Subd. 4. **No limit on native rough fish netted.** Lake whitefish and ciscoes taken under this section may be taken and possessed without limit. Native rough fish caught while netting may be retained. All other fish taken while netting must be returned to the water immediately.

Sec. 69. Minnesota Statutes 2022, section 97C.811, subdivision 2, is amended to read:

Subd. 2. **Commercial fish defined.** For purposes of this section and section 97A.475, subdivision 30, "commercial fish" are common carp; bowfin; burbot; cisco; goldeye; rainbow smelt; black bullhead, brown bullhead, and yellow bullhead; lake whitefish; members of the sucker family, Catostomidae, including white sucker, redhorse, bigmouth buffalo, and smallmouth buffalo; members of the drum family, Sciaenidae, including sheepshead; and members of the gar family, Lepisosteidae and native rough fish, except for bowfin.

Sec. 70. Minnesota Statutes 2022, section 97C.831, subdivision 1, is amended to read:

Subdivision 1. **Lake whitefish, common carp, and native rough fish.** Lake whitefish and native rough fish may be taken by licensed commercial fishing operators unless otherwise changed by rule of the commissioner, under section 97C.805, subdivision 1, from Namakan Lake and Sand Point Lake.

Sec. 71. Minnesota Statutes 2022, section 97C.835, subdivision 2, is amended to read:

Subd. 2. **Types of fish permitted.** Lake trout, ciscoes, chubs, alewives, lake whitefish, round whitefish, pygmy whitefish, rainbow smelt, common carp, and native rough fish may be taken by licensed commercial fishing operators from Lake Superior, in accordance with this section.

Sec. 72. Minnesota Statutes 2022, section 97C.835, subdivision 3, is amended to read:

Subd. 3. **Pound nets and trap nets.** Pound or trap nets may be used to take lake whitefish, round whitefish, pygmy whitefish, ciscoes, chubs, alewives, rainbow smelt, common carp, and native rough fish in Lake Superior, including St. Louis Bay east of the U.S. Highway 53 bridge, under the rules prescribed by the commissioner.

Sec. 73. Minnesota Statutes 2022, section 97C.865, subdivision 1, is amended to read:

Subdivision 1. **License required; records.** (a) A person engaged in a business providing services to a person taking fish may not prepare dressed game fish or dressed native rough fish for shipment without a fish packer's license. The fish packer must maintain a permanent record of:

- (1) the name, address, and license number of the shipper;
  - (2) the name and address of the consignee; and
  - (3) the number of each species and net weight of fish in the shipment.
- (b) The records of the fish packer must be made available to an enforcement officer upon request.

Sec. 74. Minnesota Statutes 2022, section 103F.211, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The commissioner shall adopt model standards and criteria for the subdivision, use, and development of shoreland in municipalities and areas outside of a municipality. The authority to adopt model standards and criteria is exempt from section 14.125 and does not expire. The standards and criteria must include:

- (1) the area of a lot and length of water frontage suitable for a building site;
- (2) the placement of structures in relation to shorelines and roads;
- (3) the placement and construction of sanitary and waste disposal facilities;
- (4) designation of types of land uses;
- (5) changes in bottom contours of adjacent public waters;
- (6) preservation of natural shorelands through the restriction of land uses;
- (7) variances from the minimum standards and criteria; and
- (8) for areas outside of a municipality only, a model ordinance.

Sec. 75. Minnesota Statutes 2023 Supplement, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application and notification fees.** (a) A fee to defray the costs of receiving, recording, and processing must be paid for a permit application authorized under this chapter, except for a general permit application, for each request to amend or transfer an existing permit, and for a notification to request authorization to conduct a project under a general permit. Fees established under this subdivision, unless specified in paragraph (c), must comply with section 16A.1285.

(b) Proposed projects that require water in excess of 100 million gallons per year must be assessed fees to recover the costs incurred to evaluate the project and the costs incurred for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner.

(c) The fee to apply for a permit to appropriate water, in addition to any fee under paragraph (b), is \$150. The application fee for a permit to construct or repair a dam that is subject to a dam safety inspection, to work in public waters, or to divert waters for mining must be at least \$1,200, but not more than \$12,000. The fee for a notification to request authorization to conduct a project under a general permit is \$400, except that the fee for a notification to request authorization to appropriate water under a general permit is \$100.

Sec. 76. Minnesota Statutes 2022, section 103G.315, subdivision 15, is amended to read:

Subd. 15. **Rules.** The commissioner shall adopt rules prescribing standards and criteria for issuing and denying water-use permits and public-waters-work permits. The authority to adopt the rules is exempt from section 14.125 and does not expire.

Sec. 77. Minnesota Statutes 2023 Supplement, section 115.03, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and,

with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

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

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

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

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

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

(viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

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

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

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

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

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

(9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide

waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

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

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

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

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

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

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

(16) to encourage practices that enable the recovery and use of waste heat from wastewater treatment operations, in accordance with the federal Clean Water Act, United States Code, title 33, section 1281(e).

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

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

**Sec. 78. [115A.412] WASTE COMPOSITION; INFORMATION REQUIRED.**

Subdivision 1. **Study required.** (a) Every two years, beginning in ..., the commissioner must direct the owners and operators at 20 percent of each of the following facility types to perform a waste composition study:

- (1) mixed municipal solid waste land disposal facilities;
- (2) industrial solid waste land disposal facilities;
- (3) demolition debris land disposal facilities;
- (4) resource recovery facilities;
- (5) transfer stations; and
- (6) other facilities identified by the commissioner.

(b) The waste composition study must be performed at the sole expense of each owner or operator as directed by the commissioner.

(c) When selecting facilities for waste composition studies, the commissioner must rotate the participants so that, over time, the studies cover the entirety of the facilities identified under paragraph (a). The commissioner must determine the time frame for each study in the two-year cycle. The owner or operator of each selected facility must complete the study within one year of being notified by the commissioner of selection to perform a waste composition study.

Subd. 2. **Study requirements.** (a) The commissioner must:

- (1) determine the sampling methods to be used and the categories of materials to be sampled for waste composition studies; and
- (2) provide the sampling methods and any additional requirements identified by the commissioner to each owner or operator directed to perform a study.

(b) The sampling methods must include the number of samples to be taken, the size or weight of each sample, the duration of a sampling event, the sampling interval, and any additional methods identified by the commissioner. The categories of materials to be sampled must include categories and subcategories identified by the commissioner to represent the materials present at each facility.

Subd. 3. **Report.** Within six months after completing a waste composition study required under this section, the owner or operator of a facility must submit the raw data and results of the study to the commissioner in a form and manner prescribed by the commissioner.

Subd. 4. **Compilation.** After each two-year cycle, the commissioner must compile and summarize the waste composition data received under subdivision 3. The commissioner must make the summary information available to the public.

Subd. 5. **Additional studies; information.** (a) The commissioner may conduct additional waste composition studies at facilities described in subdivision 1.



(b) Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(c) The owner or operator of a facility shall allow access upon reasonable notice to authorized agency staff for the purpose of conducting waste composition studies.

Sec. 79. Minnesota Statutes 2022, section 115A.5502, is amended to read:

**115A.5502 PACKAGING PRACTICES; PREFERENCES; GOALS.**

Packaging forms a substantial portion of solid waste and contributes to environmental degradation and the costs of managing solid waste. It is imperative to reduce the amount and toxicity of packaging that must be managed as solid waste. In order to achieve significant reduction of packaging in solid waste ~~and to assist packagers and others to meet the packaging reduction goal in section 115A.5501,~~ the goal of the state is that items be distributed without any packaging where feasible and, only when necessary to protect health and safety or product integrity, with the minimal amount of packaging possible. The following categories of packaging are listed in order of preference for use by all persons who find it necessary to package items for distribution or use in the state:

(1) minimal packaging that contains no intentionally introduced toxic materials and that is designed to be and actually is reused for its original purpose at least five times;

(2) minimal packaging that contains no intentionally introduced toxic materials and consists of a significant percentage of postconsumer material;

(3) minimal packaging that contains no intentionally introduced toxic materials, that is recyclable, and is regularly collected through recycling collection programs available to at least 75 percent of the residents of the state;

(4) minimal packaging that does not comply with clause (1), (2), or (3) because it is required under federal or state law and for which there does not exist a commercially feasible alternative that does comply with clause (1), (2), or (3);

(5) packaging that contains no intentionally introduced toxic materials but does not comply with clauses (1) to (4); and

(6) all other packaging.

Sec. 80. Minnesota Statutes 2022, section 116.0711, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The agency shall not require feedlot permittees to maintain records as to rainfall or snowfall as a condition of a general feedlot permit if the owner directs the commissioner or agent of the commissioner to appropriate data on precipitation maintained by a government agency or educational institution.

(b) A feedlot permittee shall give notice to the agency when the permittee proposes to transfer ownership or control of the feedlot to a new party. The commissioner shall not unreasonably withhold or unreasonably delay approval of any transfer request. This request shall be handled in accordance with sections 116.07 and 15.992.

(c) An animal feedlot in shoreland that has been unused may resume operation after obtaining a permit from the agency or county, regardless of the number of years that the feedlot was unused.

(d) Notwithstanding Minnesota Rules, chapter 7020, a person who applies manure in a Level 2 or higher drinking water supply management area as designated under Minnesota Rules, part 1573.0040, must follow a manure management plan approved by the commissioner. A manure management plan for a Level 2 or higher drinking water supply management area must include the Department of Agriculture's recommended best management practices that are published on the department website for that drinking water supply management area.

Sec. 81. **[116.391] RESILIENT COMMUNITY ASSISTANCE PROGRAM.**

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Resilient Community Act."

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

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Local government unit" means any unit of government other than a state or federal unit of government and includes watershed districts established according to chapter 103D, soil and water conservation districts, watershed management organizations, counties, towns, cities, port authorities, housing authorities, regional development commissions, school districts, and the Metropolitan Council.

(d) "Tribal government" means any of the Minnesota Tribal governments defined under section 10.65, subdivision 2, clause (4), and includes Tribal organizations designated by any of the Minnesota Tribal governments.

Subd. 3. **Establishment.** (a) The commissioner must establish a resilient community assistance program to:

(1) assist local government units, Tribal governments, and other relevant organizations as determined by the commissioner in adapting to and developing community resilience to impacts of climate change;

(2) help coordinate climate adaptation planning, implementation, and evaluation efforts among state agencies, local government units, Tribal governments, and other relevant organizations; and

(3) address inequities due to social, economic, historical, and political factors that result in some communities having less ability to prepare for, cope with, and recover from impacts of climate change.

(b) To address inequities under paragraph (a), clause (3), the commissioner must seek input and collaboration from disproportionately impacted communities.

Subd. 4. **Program elements.** The resilient community assistance program may include but is not limited to:

(1) developing, assembling, and disseminating information on climate adaptation and resilience;

(2) technical assistance for climate adaptation and resilience;

(3) financial assistance programs that provide grants or loans for resilience planning and for implementing climate adaptation and resilience actions, coordinated with the Public Facilities Authority, as necessary, for state bond-funded projects;

(4) outreach, including seminars, workshops, training programs, and other similar activities, designed to provide education and information on climate adaptation and resilience to local government units, Tribal governments, and other relevant organizations as determined by the commissioner;

(5) coordinating, implementing, and measuring progress on climate adaptation and resilience and measuring local government and Tribal government climate adaptation in Minnesota; and

(6) other efforts needed to support climate adaptation and community resilience in Minnesota as determined by the commissioner.

Subd. 5. **Administration.** (a) In administering the program, the commissioner may coordinate with administrators of other public and private programs that provide technical and financial assistance to local government units, Tribal governments, and other relevant organizations that receive assistance under this section.

(b) The commissioner may make grants to or enter into contracts with public or private entities to operate elements of the program. Grantees under this paragraph must provide the commissioner with periodic reports on their efforts to assist in administering the program.

(c) When operating or participating in elements of the program according to a grant or contract under paragraph (b), a person is an employee of the state who is certified to be acting within the scope of employment for purposes of indemnification under section 3.736, subdivision 9, for claims that arise out of the information, assistance, and recommendations covered by the grant or contract. The state is not obligated to defend or indemnify a grantee or contractor under this subdivision to the extent of the grantee's or contractor's liability insurance. The grantee's or contractor's right to indemnity is not a waiver of limitations, defenses, and immunities available to either the grantee or contractor or the state by law.

Subd. 6. **Award for excellence in community resilience.** The governor or commissioner may issue annual awards in the form of a commendation for excellence in climate adaptation and resilience. The commissioner must administer applications for the awards.

Sec. 82. Minnesota Statutes 2022, section 116D.02, subdivision 2, is amended to read:

Subd. 2. **State responsibilities.** In order to carry out the policy set forth in Laws 1973, chapter 412, it is the continuing responsibility of the state government to use all practicable means, consistent with other essential considerations of state policy, to improve and coordinate state plans, functions, programs and resources to the end that the state may:

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all people of the state safe, healthful, productive, and aesthetically and culturally pleasing surroundings;

(3) discourage ecologically unsound aspects of population, economic and technological growth, and develop and implement a policy such that growth occurs only in an environmentally acceptable manner;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever practicable, an environment that supports diversity, and variety of individual choice;

(5) encourage, through education, a better understanding of natural resources management principles that will develop attitudes and styles of living that minimize environmental degradation;

(6) develop and implement land use and environmental policies, plans, and standards for the state as a whole and for major regions thereof through a coordinated program of planning and land use control;

(7) define, designate, and protect environmentally sensitive areas;

(8) establish and maintain statewide environmental information systems sufficient to gauge environmental conditions;

(9) practice thrift in the use of energy and maximize the use of energy efficient systems for ~~the utilization of producing, distributing, and using energy, including recovering and reusing waste heat,~~ and minimize the environmental impact from energy production and use;

(10) preserve important existing natural habitats of rare and endangered species of plants, wildlife, and fish, and provide for the wise use of our remaining areas of natural habitation, including necessary protective measures where appropriate;

(11) reduce wasteful practices which generate solid wastes;

(12) minimize wasteful and unnecessary depletion of nonrenewable resources;

(13) conserve natural resources and minimize environmental impact by encouraging ~~extension of extended product lifetime, by lifetimes;~~ reducing the number of unnecessary and wasteful materials practices; and ~~by recycling materials, water, and energy to conserve both materials and energy, virgin resources;~~

(14) improve management of renewable resources in a manner compatible with environmental protection;

(15) provide for reclamation of mined lands and assure that any mining is accomplished in a manner compatible with environmental protection;

(16) reduce the deleterious impact on air and water quality from all sources, including the deleterious environmental impact due to operation of vehicles with internal combustion engines in urbanized areas;

(17) minimize noise, particularly in urban areas;

(18) prohibit, where appropriate, floodplain development in urban and rural areas; and

(19) encourage advanced waste treatment in abating water pollution, including practices that enable the recovery and use of waste heat from wastewater treatment operations, in accordance with the federal Clean Water Act, United States Code, title 33, section 1281(e).

Sec. 83. **REPORT.**

By December 1, 2027, the commissioner of natural resources must report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources on the effect of modifying the shotgun zone on deer hunting and deer populations. The report may include any recommendations for additional statutory or policy changes that the commissioner deems advisable.

Sec. 84. **REQUIRED RULEMAKING.**

The commissioner of natural resources may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules to conform with sections 4 to 10, 18, 23 to 26, 28, 29, 34 to 45, and 47 to 75. Minnesota Statutes, section 14.386, does not apply to rules adopted under this section except as provided under Minnesota Statutes, section 14.388.

Sec. 85. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 97A.015, subdivision 32b, as Minnesota Statutes, section 97A.015, subdivision 32d, and must renumber Minnesota Statutes, section 97A.015, subdivision 43, as Minnesota Statutes, section 97A.015, subdivision 32c.

Sec. 86. **REPEALER.**

Minnesota Statutes 2022, section 115A.5501, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; modifying environment and natural resources laws; modifying forestry laws; modifying game and fish laws; modifying water law; requiring reports; making technical corrections; appropriating money; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.7931, by adding a subdivision; 14.386; 16A.125, subdivision 5; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4988, subdivision 4; 17.4992, subdivisions 1, 3; 17.4996; 41A.02, subdivision 6; 84.027, subdivisions 12, 15; 84.0874; 84.0895, subdivisions 1, 8; 84.152, subdivision 3; 84.788, subdivision 11; 84.798, subdivision 10; 84.8035, subdivision 1; 84.82, subdivisions 2a, 11; 84.8205; 84.83, subdivision 2; 84.922, subdivision 12; 84.96, subdivisions 2, 3, 5; 84B.061; 85.41, subdivisions 1, 4; 85.45, subdivision 1; 85.46, subdivision 3; 86B.415, subdivision 11; 88.82; 89.36, subdivision 1; 89.37, subdivision 3; 93.0015, subdivision 3; 97A.015, subdivisions 3a, 3b, 39, 43, by adding subdivisions; 97A.055, subdivision 4b; 97A.075,

subdivision 2; 97A.215, by adding a subdivision; 97A.255, subdivision 5; 97A.341, subdivisions 1, 2, 3; 97A.345; 97A.405, subdivisions 3, 4, 4a; 97A.420, as amended; 97A.421, subdivision 2; 97A.425, subdivision 4, by adding a subdivision; 97A.445, by adding a subdivision; 97A.473, subdivisions 1, 3, 4, 5, 5a; 97A.474, subdivision 3; 97A.475, subdivision 39; 97A.481; 97A.485, subdivision 6; 97A.505, subdivision 8; 97A.535, subdivisions 1, 2, 2a, 4; 97A.551, subdivisions 2, 6; 97B.022, subdivisions 2, 3; 97B.055, subdivision 2; 97B.106; 97B.303; 97B.318, subdivision 1; 97B.401; 97B.516; 97B.603; 97B.716, subdivision 2; 97B.721; 97C.001, subdivision 2; 97C.005, subdivision 2; 97C.025; 97C.035, subdivision 3; 97C.045; 97C.081, subdivision 3a; 97C.087; 97C.211, subdivision 5; 97C.301, subdivision 2a; 97C.355, subdivision 2; 97C.375; 97C.376, subdivisions 1, 5; 97C.381; 97C.385; 97C.391, subdivision 1; 97C.395, as amended; 97C.411; 97C.505, subdivision 8; 97C.801, subdivision 2; 97C.805, subdivisions 1, 4; 97C.811, subdivision 2; 97C.831, subdivision 1; 97C.835, subdivisions 2, 3; 97C.865, subdivision 1; 103B.101, subdivision 13; 103C.005; 103C.221; 103C.331, subdivisions 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, by adding subdivisions; 103D.011, subdivision 10; 103D.201, subdivision 2; 103D.205, subdivision 4; 103D.251, subdivisions 5, 6; 103D.255; 103D.261, subdivisions 1, 2; 103D.271, subdivision 7; 103D.301, subdivisions 1, 3; 103D.305, subdivisions 2, 5; 103D.311, subdivision 4; 103D.315, subdivisions 9, 10; 103D.321, subdivision 1; 103D.331, subdivision 2; 103D.335, subdivision 11; 103D.341, subdivision 1; 103D.345, subdivision 4; 103D.355, subdivision 1; 103D.401; 103D.405, subdivision 1; 103D.535, subdivision 3; 103D.701; 103D.705, subdivision 1, by adding a subdivision; 103D.711; 103D.715, subdivision 1; 103D.729, subdivisions 1, 2; 103D.731; 103D.745, subdivision 3; 103D.805; 103D.811, subdivision 3; 103D.901, subdivision 2; 103E.729, subdivision 9; 103F.211, subdivision 1; 103F.48, subdivision 1; 103F.511, by adding subdivisions; 103F.515; 103F.535, subdivision 5; 103G.005, subdivisions 14d, 17b; 103G.222, subdivision 1; 103G.2241, subdivisions 1, 2, 6, 9; 103G.2242, subdivisions 2, 2a, 3; 103G.315, subdivision 15; 115A.5502; 116.0711, subdivision 1; 116D.02, subdivision 2; Minnesota Statutes 2023 Supplement, sections 84.83, subdivision 3; 97A.405, subdivision 2; 97B.037; 97B.071; 97C.041; 97C.371, subdivision 1; 103G.005, subdivision 19; 103G.2242, subdivision 1; 103G.301, subdivision 2; 115.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 84; 103D; 103F; 115A; 116; repealing Minnesota Statutes 2022, sections 97A.015, subdivision 27a; 97A.485, subdivision 13; 103A.206; 103D.315, subdivision 4; 103D.405, subdivisions 2, 3, 4, 5, 6; 103D.411; 103D.601; 103D.605, subdivisions 1, 2, 3, 4; 103D.611; 103F.511, subdivision 8b; 103F.950; 115A.5501; Minnesota Statutes 2023 Supplement, section 103D.605, subdivision 5; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3110; 8400.3210; 8400.3260; 8400.3300; 8400.3400; 8400.3460; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3930."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred**

**S.F. No. 5116:** A bill for an act relating to legacy; appropriating money from outdoor heritage fund.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1****OUTDOOR HERITAGE FUND****Section 1. APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2024" and "2025" used in this act 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. The appropriations in this act are onetime appropriations.

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

**Sec. 2. OUTDOOR HERITAGE FUND**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>180,711,000</u></b>
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This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

<b><u>Subd. 2. Prairies</u></b>	<b><u>-0-</u></b>	<b><u>19,439,000</u></b>
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**(a) Northern Tallgrass Prairie National Wildlife Refuge, Phase 14**

\$4,412,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee or permanent conservation easements and restore and enhance lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes,

section 84.96, or lands adjacent to protected native prairie.

**(b) Accelerating Wildlife Management Area Program, Phase 16**

\$5,315,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

**(c) Prairie Chicken Habitat Partnership of Southern Red River Valley, Phase 10**

\$3,794,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands within the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

**(d) Martin County DNR WMA Acquisition, Phase 8**

\$2,589,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and to restore and enhance strategic prairie grassland, wetland, and other wildlife habitat



within Martin County for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, as follows: \$1,921,000 to Fox Lake Conservation League, Inc.; \$613,000 to Ducks Unlimited; and \$55,000 to the Conservation Fund.

**(e) DNR Grassland Enhancement, Phase 16**

\$1,427,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas in wildlife management areas, in scientific and natural areas, in aquatic management areas, on lands in the native prairie bank, in bluff prairies on state forest land in southeastern Minnesota, and in waterfowl production areas and refuge lands of the United States Fish and Wildlife Service.

**(f) Enhanced Public Land - Grasslands, Phase 7**

\$1,902,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore grassland and wetland habitat on public lands within the forest prairie transition, metro urban, and prairie ecoregions of Minnesota.

**Subd. 3. Forests**

-0-

32,164,000

**(a) Minnesota Heritage Forest - Transition to Public Ownership Program**

\$22,647,000 the second year is to the commissioner of natural resources to acquire priority forest habitat lands in fee as wildlife management areas, scientific and natural areas, state forests, and county forests. Of this amount, \$11,737,000 is for an agreement with Northern Waters Land Trust.

**(b) Camp Ripley Sentinel Landscape Protection Program ACUB, Phase 12**

\$2,068,000 the second year is to the Board of Water and Soil Resources, in cooperation

with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore and enhance forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Sentinel Landscape and Army Compatible Use Buffer. Up to \$110,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(c) Riparian Habitat Protection in Kettle and Snake River Watersheds, Phase 2**

\$1,569,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Pine County Soil and Water Conservation District, to acquire permanent conservation easements to protect high-quality forests, wetlands, and shoreline within the Kettle and Snake River watersheds. Up to \$150,000 to the Board of Water and Soil Resources is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(d) DNR Forest Habitat Enhancement, Phase 4**

\$1,727,000 the second year is to the commissioner of natural resources to restore and enhance forest wildlife habitats on public lands throughout Minnesota.

**(e) Young Forest Conservation, Phase 4**

\$2,229,000 the second year is to the commissioner of natural resources for an agreement with the American Bird Conservancy to enhance publicly owned,

permanently protected forest lands for wildlife management.

**(f) Floodplain and Upland Forest Enhancement - Mississippi River, Phase 5**

\$1,924,000 the second year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain and upland forest habitat for wildlife on public lands along the Mississippi River and Mississippi River tributaries.

**Subd. 4. Wetlands**

-0-

38,412,000

**(a) Wild-Rice Shoreland Protection, Phase 9**

\$2,042,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements on wild-rice lake shoreland habitat for native wild-rice bed protection. Of this amount, up to \$110,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(b) Shallow Lake and Wetland Protection and Restoration Program, Phase 13**

\$7,670,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or to be designated and managed as waterfowl production areas or national wildlife refuges in Minnesota, in cooperation with the United States Fish and Wildlife Service, and to restore and enhance prairie lands, wetlands, and land buffering shallow lakes.

**(c) RIM Wetlands - Restoring Most Productive Habitat in Minnesota, Phase 13**

\$3,202,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to \$50,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(d) Accelerating Waterfowl Production Area Acquisition Program, Phase 16**

\$7,020,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the United States Fish and Wildlife Service, to acquire land in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota.

**(e) DNR Accelerated Shallow Lakes and Wetland Enhancement, Phase 16**

\$3,809,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide.

**(f) Nelson Slough - East Park Wildlife Management Area**

\$4,174,000 the second year is to the commissioner of natural resources for an agreement with the Middle-Snake-Tamarac Rivers Watershed District to restore and enhance wetland and upland wildlife habitat on Nelson Slough and East Park Wildlife Management Area in Marshall County, Minnesota.

**(g) Wetland Habitat Protection and Restoration Program, Phase 9**

\$2,128,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to restore and enhance prairie, wetland, and other habitat on permanently protected conservation easements in high-priority wetland habitat complexes within the prairie, forest/prairie transition, and forest ecoregions.

**(h) Living Shallow Lakes and Wetlands Enhancement and Restoration Initiative, Phase 10**

\$7,867,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to restore and enhance shallow lakes and wetlands on public lands and wetlands under permanent conservation easement for wildlife management.

**(i) Lake Alice Enhancement, Fergus Falls**

\$500,000 the second year is to the commissioner of natural resources for an agreement with the city of Fergus Falls to enhance Lake Alice in Fergus Falls.

**Subd. 5. Habitats**

-0-

89,294,000

**(a) St. Croix Watershed Habitat Protection and Restoration, Phase 5**

\$4,711,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and acquire permanent conservation easements and to restore and enhance natural habitat systems in the St. Croix River watershed as follows: \$1,905,000 to Trust for Public Land; \$110,000 to Wild Rivers Conservancy; and \$2,696,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(b) Pine and Leech Watershed Targeted RIM Easement Permanent Land Protection, Phase 3**

\$2,242,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Crow Wing County Soil and Water Conservation District, to acquire permanent conservation easements of high-quality forest, wetland, and shoreline habitat. Up to \$120,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(c) Protecting Minnesota's Lakes of Outstanding Biological Significance, Phase 3**

\$3,321,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance lakes of outstanding biological significance in northeast and north-central Minnesota. Of this amount, \$1,083,000 is to the Northern Waters Land Trust and \$2,238,000 is to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(d) Shell Rock River Watershed Habitat Restoration Program, Phase 13**

\$2,060,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee and restore and enhance habitat in the Shell Rock River watershed.

**(e) Cannon River Watershed Habitat Restoration and Protection Program, Phase 13**

\$2,555,000 the second year is to the commissioner of natural resources for

agreements to acquire lands in fee and restore and enhance wildlife habitat in the Cannon River watershed as follows: \$54,000 to Clean River Partners; \$888,000 to Great River Greening; and \$1,613,000 to Trust for Public Land.

**(f) Mississippi Headwaters Habitat Corridor Project, Phase 8**

\$2,706,000 the second year is to acquire lands in fee and permanent conservation easements and to restore wildlife habitat in the Mississippi headwaters. Of this amount:

(1) \$1,706,000 is to the commissioner of natural resources for agreements as follows: \$57,000 to the Mississippi Headwaters Board and \$1,649,000 to Trust for Public Land; and

(2) \$1,000,000 is to the Board of Water and Soil Resources, of which up to \$100,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(g) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes, Phase 10**

\$2,687,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance wildlife habitat to sustain healthy fish habitat on coldwater lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: \$2,252,000 to Northern Waters Land Trust and \$435,000 to Minnesota Land Trust. Up to \$56,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(h) Red River Basin Riparian Habitat Program**

\$5,119,000 the second year is to acquire permanent conservation easements to protect,

restore, and enhance stream and riparian habitat throughout the Red River watershed. Of this amount, \$169,000 is to the commissioner of natural resources for an agreement with the Red River Watershed Management Board and \$4,950,000 is to the Board of Water and Soil Resources. Up to \$380,000 of the total amount is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(i) Resilient Habitat for Heritage Brook Trout, Phase 2**

\$2,486,000 the second year is to the commissioner of natural resources for agreements to acquire permanent conservation easements and to restore and enhance habitat in targeted watersheds of southeast Minnesota to improve heritage brook trout and coldwater aquatic communities. Of this amount, \$400,000 is to The Nature Conservancy, \$612,000 is to Trout Unlimited, and \$1,474,000 is to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(j) Southeast Minnesota Protection and Restoration, Phase 12**

\$3,052,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and to restore and enhance wildlife habitat on public lands and permanent conservation easements in southeast Minnesota as follows: \$970,000 to The Nature Conservancy, \$964,000 to Trust for Public Land, and \$1,118,000 to



Minnesota Land Trust. Up to \$112,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(k) Lower Wild Rice River Corridor Habitat Restoration, Phase 4**

\$2,345,000 the second year is to acquire land in permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. Of this amount, \$30,000 is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District and \$2,315,000 is to the Board of Water and Soil Resources. The Board of Water and Soil Resources may use up to \$60,000 for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subdivision 8, paragraph (b), does not apply to this project. A list of permanent conservation easements must be provided as part of the final report.

**(l) DNR Wildlife Management Area and Scientific and Natural Area Acquisition, Phase 16**

\$1,359,000 the second year is to the commissioner of natural resources to acquire in fee and restore and enhance lands for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquiring lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie.

**(m) Accelerating Habitat Conservation in Southwest Minnesota, Phase 3**

\$2,872,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements and to restore and enhance high-quality wildlife habitat in southwest Minnesota. Of this amount, up to \$168,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(n) Sauk River Watershed Habitat Protection and Restoration, Phase 5**

\$3,965,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee and permanent conservation easements and restore and enhance wildlife habitat in the Sauk River watershed as follows: \$375,000 to Great River Greening; \$1,199,000 to Sauk River Watershed District; \$1,192,000 to Pheasants Forever; and \$1,199,000 to Minnesota Land Trust. Up to \$168,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(o) Metro Big Rivers, Phase 14**

\$8,123,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural habitat systems associated with the Mississippi, Minnesota, and St. Croix Rivers and their tributaries within the metropolitan area as follows: \$1,250,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; \$420,000 to Friends of the Mississippi River; \$803,000 to Great River Greening; \$2,750,000 to Trust for Public Land; and \$2,900,000 to Minnesota Land Trust. Up to \$224,000 to Minnesota Land Trust is to establish a

monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17.

**(p) Anoka Sand Plain Habitat Conservation, Phase 9**

\$1,802,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands and easements in the Anoka Sand Plain ecoregion and intersecting minor watersheds as follows: \$1,508,000 to Great River Greening and \$294,000 to Sherburne County.

**(q) DNR Aquatic Habitat Restoration and Enhancement, Phase 7**

\$4,206,000 the second year is to the commissioner of natural resources to restore and enhance aquatic habitat in degraded streams and aquatic management areas and to facilitate fish passage.

**(r) Minnesota Statewide Trout Habitat Enhancement**

\$2,308,000 the second year is to the commissioner of natural resources for an agreement with Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers, lakes, and streams throughout Minnesota.

**(s) Knife River Habitat Rehabilitation, Phase 7**

\$1,572,000 the second year is to the commissioner of natural resources for an agreement with the Arrowhead Regional Development Commission, in cooperation with the Lake Superior Steelhead Association, to restore and enhance trout habitat in the Knife River watershed.

**(t) DNR St. Louis River Restoration Initiative, Phase 11**

\$2,163,000 the second year is to the commissioner of natural resources to restore and enhance priority aquatic, riparian, and

forest habitats in the St. Louis River estuary. Of this amount, \$716,000 is for an agreement with Minnesota Land Trust.

**(u) Roseau Lake Rehabilitation, Phase 2**

\$3,054,000 the second year is to the commissioner of natural resources for an agreement with the Roseau River Watershed District to restore and enhance the Roseau Lake and Roseau River habitat complex in Roseau County, Minnesota.

**(v) Highbanks Ravine Bat Hibernaculum**

\$2,300,000 the second year is to the commissioner of natural resources for an agreement with the city of St. Cloud to enhance the Highbanks Ravine Bat Hibernaculum in St. Cloud.

**(w) Owámniyomni Native Landscape and River Restoration, St. Anthony Falls**

\$1,918,000 the second year is to the commissioner of natural resources for an agreement with Friends of the Falls to restore and enhance wildlife habitat at Upper St. Anthony Falls. This appropriation may only be spent for site grading, oak savanna, and aquatic habitat portions of the project.

**(x) Silver Lake Dam Fish Passage Modification**

\$2,368,000 the second year is to the commissioner of natural resources for an agreement with the city of Rochester to restore and enhance aquatic habitat in Silver Lake and the south fork of the Zumbro River by modifying the existing low-head dam in Rochester.

**(y) Little Devil Track River Restoration**

\$3,000,000 the second year is to the commissioner of natural resources for an agreement with Cook County to restore and enhance stream habitat in the Little Devil Track River.

**(z) Conservation Partners Legacy Grant Program:  
Statewide and Metro Habitat, Phase 16**

\$15,000,000 the first year is to the commissioner of natural resources for a program to provide competitive matching grants of up to \$500,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Unless there are not enough eligible grant applications received, of this amount, at least \$4,000,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or more and at least \$4,000,000 is for grants to applicants that have not previously applied for money from the outdoor heritage fund. Grants must not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants must not be made from the appropriation in this paragraph for projects that have a total project cost exceeding \$1,000,000. Of the total appropriation, \$600,000 may be spent for personnel costs, outreach, and support to first-time applicants and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind. For grant applications of \$25,000 or less, the commissioner must provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources must, when evaluating projects of equal value, give priority to organizations that have a history of receiving, or a charter to receive, private contributions for local conservation or habitat projects. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual

maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2027. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient completes a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner must provide notice of the grant program in the summary of game and fish law prepared under Minnesota Statutes, section 97A.051, subdivision 2.

**Subd. 6. Administration**

-0-

1,402,000

**(a) Contract Management**

\$350,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner must provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on expending this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended before the Lessard-Sams Outdoor Heritage Council approves the accomplishment plan. Money appropriated in this paragraph is available until June 30, 2026.

**(b) Technical Evaluation Panel**

\$160,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 25 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056,

subdivision 10. Money appropriated in this paragraph is available until June 30, 2026.

**(c) Core Functions in Partner-led OHF Land Acquisitions**

\$892,000 the second year is to the commissioner of natural resources for administering the initial development, restoration, and enhancement of land acquired in fee with money appropriated from the outdoor heritage fund. This appropriation may be used for land acquisition costs incurred by the department in conveying parcels to the department and for initial development activities on fee title acquisitions. Money appropriated in this paragraph is available until June 30, 2032.

**Subd. 7. Availability of Appropriation**

(a) Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

(b) Money appropriated in this section is available as follows:

(1) money appropriated for acquiring real property is available until June 30, 2028;

(2) money appropriated for restoring and enhancing land acquired with an appropriation in this section is available for four years after the acquisition date with a maximum end date of June 30, 2032;

(3) money appropriated for restoring or enhancing other land is available until June 30, 2029;

(4) notwithstanding clauses (1) to (3), money appropriated for a project that receives at least 15 percent of its funding from federal funds is available until a date sufficient to match the availability of federal funding to a maximum of six years if the federal funding was confirmed and included in the original approved draft accomplishment plan; and

(5) money appropriated for other projects is available until the end of the fiscal year in which it is appropriated.

**Subd. 8. Payment Conditions and Capital Equipment Expenditures**

(a) All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2024, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice or binding agreement with a landowner and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to



projects to accommodate cash-flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

(b) Unless otherwise provided, no money appropriated from the outdoor heritage fund in this act may be used to acquire, restore, or enhance any real property unless the specific acquisition, restoration, or enhancement is approved as part of the accomplishment plan on the parcel list.

**Subd. 9. Mapping**

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

**Subd. 10. Carryforward**

(a) The availability of the following appropriations is extended to June 30, 2025:

(1) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5, paragraph (f), Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase XI; and

(2) Laws 2019, First Special Session chapter 2, article 1, section 2, subdivision 5,

paragraph (j), Shell Rock River Watershed  
Habitat Restoration Program - Phase VIII.

(b) The availability of the appropriation in  
Laws 2019, First Special Session chapter 2,  
article 1, section 2, subdivision 4, paragraph  
(g), Big Rice Lake Wild Rice Enhancement,  
is extended to June 30, 2026.

## ARTICLE 2

### CLEAN WATER FUND

#### Section 1. CLEAN WATER FUND 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 clean water fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure 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. These are onetime appropriations.

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

#### Sec. 2. CLEAN WATER FUND

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>25,426,000</u>
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This appropriation is from the clean water fund. The amounts that may be spent for each purpose are specified in the following sections.

#### Subd. 2. Availability of Appropriation

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless

otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2026. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

**Subd. 3. Disability Access**

Where appropriate, grant recipients of clean water funds, in consultation with the Council on Disability and other appropriate governor-appointed disability councils, boards, committees, and commissions, should make progress toward providing people with disabilities greater access to programs, print publications, and digital media related to the programs the recipient funds using appropriations made in this article.

**Subd. 4. Increasing Diversity in Environmental Careers**

Agencies should work to provide opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this article.

Sec. 3. <b><u>DEPARTMENT OF AGRICULTURE</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>4,000,000</u></b>
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(a) \$1,000,000 the second year is for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension; grants to support agricultural demonstration and implementation activities, including research activities at the Rosholt Research Farm; and other actions to protect groundwater from degradation from nitrate. This appropriation

is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (b), and is available until June 30, 2028.

(b) \$3,000,000 the second year is for the agriculture best management practices loan program for loans for water quality-related projects in southeast Minnesota. Any unencumbered balance at the end of the second year must be added to the corpus of the loan fund. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 3, paragraph (c).

Sec. 4. **POLLUTION CONTROL AGENCY**

\$

-0- \$

4,650,000

(a) \$1,000,000 the second year is for enhancing the county-level delivery systems for subsurface sewage treatment system (SSTS) activities necessary to implement Minnesota Statutes, sections 115.55 and 115.56, for protecting groundwater. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (f). Notwithstanding Minnesota Statutes, section 16A.28, the appropriations in this paragraph are available until June 30, 2028.

(b) \$1,000,000 the second year is for activities and grants that reduce chloride pollution. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 4, paragraph (g).

(c) \$2,000,000 the second year is to purchase and install nitrate sensors to develop a continuous nitrate-monitoring network to monitor watershed and basin pour points where elevated loads of nitrate have been measured historically.

(d) \$500,000 the second year is for grants to assist local units of government that own and operate wastewater treatment facilities to test for and monitor perfluoroalkyl and polyfluoroalkyl substances (PFAS) in influent, biosolids, and effluent. The

commissioner must issue the grants consistent with Minnesota's PFAS Blueprint and to further the monitoring goals developed in the 2022 PFAS Monitoring Plan.

(e) \$150,000 the second year is for a grant to the Friends of the Minnesota Valley to continue and expand the existing water quality and watershed monitoring river watch activities in schools in the Minnesota River Valley. By February 15, 2027, Friends of the Minnesota Valley must provide a report to the commissioner and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund on the outcomes achieved with the money received under this appropriation.

**Sec. 5. DEPARTMENT OF NATURAL RESOURCES**

\$

-0- \$

90,000

\$90,000 the second year is for assessing mercury and other fish contaminants, including PFAS compounds, and monitoring to track the status of impaired waters over time. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 5, paragraph (c).

**Sec. 6. BOARD OF WATER AND SOIL RESOURCES**

\$

-0- \$

9,485,000

(a) \$2,485,000 the second year is for a working lands floodplain program and to purchase, restore, or preserve riparian land and floodplains adjacent to lakes, rivers, streams, and tributaries, by conservation easements or contracts to keep water on the land, to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase protection and recharge for groundwater. Up to \$100,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section

103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (f).

(b) \$4,000,000 the second year is to purchase permanent conservation easements to protect lands adjacent to public waters that have good water quality but that are threatened with degradation. Up to \$160,000 is for deposit in a conservation easement stewardship account established according to Minnesota Statutes, section 103B.103. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (k).

(c) \$2,000,000 the second year is for developing and implementing a water legacy grant program to expand partnerships for clean water. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 6, paragraph (m).

(d) \$1,000,000 the second year is to provide support to the Soil and Water Conservation Districts and other local governments and partner organizations in the Lake Superior basin to leverage Great Lakes Restoration Initiative resources in implementing prioritized activities.

(e) The board must require grantees to specify the outcomes that will be achieved by the grants.

(f) The appropriations in this section are available until June 30, 2028, except grant or easement funds are available for five years after the date a grant or other agreement is executed. Returned grant funds must be regranted consistent with the purposes of this section.

**Sec. 7. DEPARTMENT OF HEALTH**

**\$**

**-0- \$**

**1,301,000**

(a) \$384,000 the second year is for developing health risk limits for contaminants found or anticipated to be

found in Minnesota drinking water, to certify private laboratories to conduct analyses for these contaminants, and to increase the capacity of the department's laboratory to analyze for these contaminants. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 7, paragraph (a).

(b) \$917,000 the second year is for supporting the public health response to nitrates in private wells in southeast Minnesota. Of this amount, \$737,000 is for well inventory and \$180,000 is for private well testing.

(c) Unless otherwise specified, the appropriations in this section are available until June 30, 2027.

**Sec. 8. UNIVERSITY OF MINNESOTA**

**\$**

**-0- \$**

**5,900,000**

(a)(1) \$5,400,000 the second year is for the University of Minnesota Water Council to engage with partners and develop a 50-year clean water plan, according to the scope of work developed under Laws 2023, chapter 60, article 9, section 12, that:

(i) provides a literature-based assessment of the current status and trends regarding the quality and quantity of Minnesota waters, both surface and subsurface;

(ii) identifies gaps in data or understanding and provides recommended steps to address the gaps;

(iii) identifies existing and potential future threats to Minnesota's waters; and

(iv) proposes a road map of scenarios and policy recommendations designed to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(2) The Board of Regents of the University of Minnesota is requested to submit to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources:

(i) by June 30, 2025, a status report that includes:

(A) a directory of existing data, databases, and decision support tools; and

(B) an assessment of gaps in data and understanding; and

(ii) by June 30, 2026, a status report that includes:

(A) a list of steps to take to address gaps in data and understanding; and

(B) a set of policy scenarios and forecasting inputs.

(b) \$500,000 the second year is for a program to evaluate performance and technology transfer for stormwater best management practices, to evaluate best management performance and effectiveness to support meeting total maximum daily loads, to develop standards and incorporate state-of-the-art guidance using minimal impact design standards as the model, and to implement a system to transfer knowledge and technology across local government, industry, and regulatory sectors. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 2, section 9, paragraph (b), and is available until June 30, 2030.

### ARTICLE 3

#### PARKS AND TRAILS FUND

Section 1. Laws 2023, chapter 40, article 3, section 2, subdivision 1, is amended to read:



Subdivision 1. <b>Total Appropriation</b>	\$	72,155,000	\$	<del>64,455,000</del> <u>73,563,000</u>
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The amounts that may be spent for each purpose are specified in the following sections.

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

Sec. 2. Laws 2023, chapter 40, article 3, section 3, is amended to read:

Sec. 3. <b>DEPARTMENT OF NATURAL RESOURCES</b>	\$	43,580,000	\$	<del>38,931,000</del> <u>44,396,000</u>
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(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for state parks, recreation areas, and trails to:

- (1) connect people to the outdoors;
  - (2) acquire land and create opportunities;
  - (3) maintain existing holdings; and
  - (4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.
- (b) The commissioner may spend money appropriated under paragraph (a) on I Can! programs, including but not limited to programs designed to provide underserved youth and youth who identify as lesbian, gay, bisexual, transgender, and queer the opportunity to experience the outdoors with similar peers.

(c) \$14,286,000 the first year and ~~\$12,762,000~~ \$14,584,000 the second year are for grants for parks and trails of regional significance outside the seven-county metropolitan area under Minnesota Statutes, section 85.535. The grants awarded under this paragraph must be based on the lists of recommended projects submitted to the legislative committees under Minnesota Statutes, section 85.536, subdivision 10, from the Greater Minnesota Regional Parks and

Trails Commission established under Minnesota Statutes, section 85.536. Grants funded under this paragraph must support parks and trails of regional or statewide significance that meet the applicable definitions and criteria for regional parks and trails contained in the *Greater Minnesota Regional Parks and Trails Strategic Plan* adopted by the Greater Minnesota Regional Parks and Trails Commission on ~~April 22, 2015~~ March 24, 2021. Grant recipients identified under this paragraph must submit a grant application to the commissioner of natural resources. Up to 2.5 percent of the appropriation may be used by the commissioner for the actual cost of issuing and monitoring the grants for the commission. Of the amount appropriated, \$475,000 the first year and \$475,000 the second year are for the Greater Minnesota Regional Parks and Trails Commission to carry out its duties under Minnesota Statutes, section 85.536, including the continued development of a statewide system plan for regional parks and trails outside the seven-county metropolitan area.

(d) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a list of projects that contains the commission's recommendations for funding from the parks and trails fund for fiscal year 2025 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and the parks and trails fund.

(e) By January 15, 2024, the Greater Minnesota Regional Parks and Trails Commission must submit a report that contains the commission's criteria for funding from the parks and trails fund, including the criteria used to determine if a park or trail is of regional significance, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction

over environment and natural resources and the parks and trails fund.

(f) \$722,000 the first year and \$645,000 the second year are for coordination and projects between the department, the Metropolitan Council, and the Greater Minnesota Regional Parks and Trails Commission; enhanced web-based information for park and trail users; and support of activities of the Parks and Trails Legacy Advisory Committee.

(g) The commissioner must contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$850,000 the first year and \$850,000 the second year.

(h) Grant recipients of an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

(i) In addition to the requirements under paragraph (g), the commissioner should work to provide other opportunities that encourage a diversity of students to pursue careers in environment and natural resources when implementing appropriations in this section.

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

Sec. 3. Laws 2023, chapter 40, article 3, section 4, is amended to read:

Sec. 4. <b>METROPOLITAN COUNCIL</b>	\$	28,572,000	\$	<del>25,524,000</del>
				<u>29,167,000</u>

(a) \$28,572,000 the first year and ~~\$25,524,000~~ \$29,167,000 the second year are for distribution according to Minnesota Statutes, section 85.53, subdivision 3.

(b) Money appropriated under this section and distributed to implementing agencies must be used only to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing

agencies. Projects funded by the money appropriated under this section must be substantially consistent with the project descriptions and dollar amounts approved by each elected body. Any money remaining after completing the listed projects may be spent by the implementing agencies on projects to support parks and trails.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section must ensure that the money is used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section must give consideration to contracting with Conservation Corps Minnesota for restoration, maintenance, and other activities.

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

Sec. 4. **PARKS AND TRAILS FUND APPROPRIATION EXTENSIONS.**

**Subdivision 1. Bluffs Traverse Trail; city of Winona.** The availability of the grant to the city of Winona for the Bluffs Traverse Trail project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2026.

**Subd. 2. Jay C. Hormel Nature Center; city of Austin.** The availability of the grant to the city of Austin for the Jay C. Hormel Nature Center project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

**Subd. 3. Hole in the Mountain Park; Lincoln County.** The availability of the grant to Lincoln County for the Hole in the Mountain Park project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

**Subd. 4. Alexander Ramsey Park; city of Redwood Falls.** The availability of the grant to the city of Redwood Falls for the Alexander Ramsey Park project from the parks and trails fund appropriation under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (b), is extended to June 30, 2027.

**Subd. 5. Coordination among partners.** The appropriations from the parks and trails fund under Laws 2021, First Special Session chapter 1, article 3, section 3, paragraph (e), are available until June 30, 2026.

**ARTICLE 4****ARTS AND CULTURAL HERITAGE FUND****Section 1. ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15, except that any unencumbered balance remaining under this article from the first year does not cancel but is available in the second year. The figures "2024" and "2025" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2024, and 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. All appropriations in this article are onetime.

**APPROPRIATIONS****Available for the Year****Ending June 30****2024****2025****Sec. 2. ARTS AND CULTURAL HERITAGE****Subdivision 1. Total Appropriation****\$****-0-****\$****12,209,000**

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

**Subd. 2. Availability of Appropriation**

Money appropriated in this article must not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on institutional overhead charges that are not directly related to and necessary for a specific appropriation. Money appropriated in this article must be spent in accordance with Minnesota Management and Budget MMB Guidance to Agencies on Legacy Fund Expenditure. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2024 appropriations are available until June 30, 2025, and fiscal year 2025 appropriations are available until June 30, 2027. Water and energy

conservation technology and the use of renewable energy should be priorities for construction and building projects funded through this appropriation. If a project receives federal funds, the period of the appropriation is extended to equal the availability of federal funding.

**Subd. 3. Minnesota State Arts Board**

-0-

5,738,000

(a) The amounts in this subdivision are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established in this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

**(b) Arts and Arts Access Initiatives**

\$4,590,000 the second year is to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to preserve, maintain, and interpret art forms and works of art so that they are accessible to Minnesota audiences; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (b).

**(c) Arts Education**

\$861,000 the second year is for high-quality, age-appropriate arts education for Minnesotans of all ages to develop

knowledge, skills, and understanding of the arts. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (c).

**(d) Arts and Cultural Heritage**

\$287,000 the second year is for events and activities that represent, preserve, and maintain the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state. This appropriation is added to the appropriation in Laws 2023, chapter 40, article 4, section 2, subdivision 3, paragraph (d).

**(e) Administrative Costs**

Up to five percent of the totals in paragraphs (b) to (d) each year is for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability in fiscal year 2025.

**(f) Regional Arts Councils**

Thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

**Subd. 4. Department of Administration**

-0-

1,845,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

**(c) Berger Fountain Renovation**

\$250,000 the second year is for a grant to the Minneapolis Park and Recreation Board to restore Berger Fountain at Loring Park and for improvements to the surrounding plaza.

**(d) Cannon Falls American Veterans Memorial Park**

\$250,000 the second year is for a grant to the American Veterans Memorial Park for the regional destination veterans memorial park outside the city of Cannon Falls for celebrating, recognizing, and honoring the sacrifices of the diverse allies who supported America in wars and conflicts, including but not limited to culturally specific events, festivals, and gatherings.

**(e) Indigenous Roots Cultural Arts Center and Cypher Side**

\$200,000 the second year is for a grant to Indigenous Roots Cultural Arts Center to partner with Cypher Side to provide integration of dance and other arts into a creative economy-style retail and gastronomy space in which youth can bring their arts and cultural heritage into new spheres of activity. This appropriation may not be used to hold events.

**(f) Hrvatski Dom Croatian Hall**

\$195,000 the second year is for a grant to the Hrvatski Dom Croatian Hall in South St. Paul for restoring and operating the hall for community gatherings and to preserve the history and cultural heritage of Croatian immigrants in Minnesota.

**(g) Justus Ramsey Stone House**



\$300,000 the second year is for a grant to the Pullman Company for costs related to preserving Minnesota's historic Justus Ramsey Stone House and relocating it to the Jackson Street Roundhouse property owned and operated by the Minnesota Transportation Museum.

**(h) Minnesota Military and Veterans Museum**

\$275,000 the second year is for a grant to the Minnesota Military and Veterans Museum at Camp Ripley for the restoration, relocation, and interpretation of the USS Ward Number Three Gun and World War II display.

**(i) PROCEED**

\$150,000 the second year is for a grant to PROCEED, Inc., for arts, cultural, and environmental preservation work with youth.

**(j) Art From the Inside**

\$150,000 the second year is for a grant to Art From the Inside to use the arts, including but not limited to visual art, poetry, literature, theater, dance, and music, to address the supportive, therapeutic, and rehabilitative needs of incarcerated persons and persons on supervised release and promote a safer correctional facility and community environment.

**(k) Twin Cities Jazz Festival**

\$75,000 the second year is for arts and arts access at the Twin Cities Jazz Festival.

**Subd. 5. Minnesota Humanities Center**

-0-

3,776,000

(a) The amounts in this subdivision are appropriated to the Board of Directors of the Minnesota Humanities Center for the purposes specified in this subdivision. The Minnesota Humanities Center may use up to 5.5 percent of the appropriations for the administration of these funds and to cover the cost of administering, planning, evaluating, and reporting these grants. The

Minnesota Humanities Center must develop a written plan to issue the grants under this subdivision and must submit the plan for review and approval by the commissioner of administration. The written plan must require the Minnesota Humanities Center to create and adhere to grant policies that are similar to those established according to Minnesota Statutes, section 16B.97, subdivision 4, paragraph (a), clause (1).

No grants awarded under this subdivision may be used for travel outside the state of Minnesota. The grant agreement must specify the repercussions for failing to comply with the grant agreement.

**(b) Community Identity and Heritage Grant Program; Administration and Capacity-Building Grants**

\$2,700,000 the second year is for a competitive grant program to provide grants to organizations or individuals working to create, celebrate, and teach the art, culture, and heritage of diverse Minnesota communities, including but not limited to Asian and Pacific Island communities, the Somali diaspora and other African immigrant communities, Indigenous communities with a focus on the 11 Tribes in Minnesota, the African American community, the Latinx community, the LGBTQIA+ community, and other underrepresented cultural groups, including communities of Black, Indigenous, and people of color, to celebrate the cultural diversity of Minnesota. Nothing in this paragraph shall be construed to prevent a named recipient of a grant under this article or under Laws 2023, chapter 40, article 4, from applying to receive additional grant money under this paragraph. An individual or organization that receives a grant under this paragraph must do at least one of the following:

(1) preserve and honor the cultural heritage of Minnesota;

(2) provide education and student outreach on cultural diversity;

(3) support the development of culturally diverse humanities programming, including arts programming, by individuals and organizations; or

(4) empower communities in building identity and culture, including preserving and honoring communities whose Indigenous cultures are endangered or disappearing.

**(c) Emergency Grants**

\$76,000 the second year is for emergency grants to respond to urgent community needs to organizations otherwise qualified to receive grants under paragraph (b). Grants under this paragraph should be designed to be awarded on a rolling basis based on emerging needs to assist communities responding to major events and to facilitate the process of grieving, encourage healing, create memorials, or assist in recovery of the community.

**(d) Underrepresented Groups Cultural Studies Materials**

\$1,000,000 the second year is for competitive grants to develop high-quality academic cultural and ethnic studies materials for communities that do not have adequate cultural and ethnic studies materials or who are underrepresented in those materials, including but not limited to the Hmong, Karen, Somali, and Oromo cultures, and cultures without a formal writing system that are largely oral-based. In developing these materials, a recipient of a grant under this paragraph must work with school districts that intend to use the materials.

**Subd. 6. Minnesota Historical Society**

-0-

850,000

(a) The amounts in this subdivision are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and

its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society must be used to supplement and not substitute for traditional sources of funding. The appropriations in this subdivision are onetime.

**(b) Grants**

(1) \$200,000 the second year is to facilitate negotiations for the purchase by the state of the Wizard of Oz ruby slippers through a combination of available state funds and nonstate sources of funding;

(2) \$250,000 the second year is for competitive grants to Lao, Cambodian, Vietnamese, and Hmong cultural community organizations for activities to commemorate 50 years of Southeast Asians in Minnesota;

(3) \$150,000 the second year is for activities to prepare and coordinate community commemoration programs celebrating 50 years of Hmong Americans in Minnesota. The Minnesota Historical Society must form an advisory task force consisting of members of the Hmong community to advise the society on the design and implementation of these activities and programs; and

(4) \$250,000 the second year is for planning and outreach, in collaboration with the Minnesota Humanities Center, for Minnesota's commemoration of the 250th anniversary of the signing of the Declaration of Independence. The Minnesota Historical Society and Minnesota Humanities Center must enter into an agreement between the organizations on how best to maximize the impact of this grant and of collaboration with statewide partners."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying appropriation; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4."

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

**Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 4097:** A bill for an act relating to commerce; making technical and housekeeping changes to various provisions governing or administered by the Department of Commerce; amending Minnesota Statutes 2022, sections 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18; repealing Minnesota Statutes 2022, sections 45.014; 82B.25.

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

Delete everything after the enacting clause and insert:

## ARTICLE 1

### INSURANCE POLICY

Section 1. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to read:

Subd. 6. **Coverage deemed unavailable.** Coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with that surplus lines broker shall be deemed unavailable from a licensed insurer.

Sec. 2. Minnesota Statutes 2022, section 67A.01, subdivision 2, is amended to read:

Subd. 2. **Authorized territory.** (a) A township mutual fire insurance company may be authorized to write business in up to nine adjoining counties in the aggregate at the same time. If policyholder surplus is at least \$500,000 as reported in the company's last annual financial statement filed with the commissioner, the company may, if approval has been granted by the commissioner, be authorized to write business in ten or more counties in the aggregate at the same time, subject to a maximum of ~~20~~ 30 adjoining counties, in accordance with the following schedule:

Number of Counties	Surplus Requirement
10	\$500,000
11	600,000
12	700,000
13	800,000

14	900,000
15	1,000,000
16	1,100,000
17	1,200,000
18	1,300,000
19	1,400,000
20	1,500,000
<u>21</u>	<u>1,600,000</u>
<u>22</u>	<u>1,700,000</u>
<u>23</u>	<u>1,800,000</u>
<u>24</u>	<u>1,900,000</u>
<u>25</u>	<u>2,000,000</u>
<u>26</u>	<u>2,100,000</u>
<u>27</u>	<u>2,200,000</u>
<u>28</u>	<u>2,300,000</u>
<u>29</u>	<u>2,400,000</u>
<u>30</u>	<u>2,500,000</u>

(b) In the case of a merger of two or more companies having contiguous territories, the surviving company in the merger may transact business in the entire territory of the merged companies; however, the territory of the surviving company in the merger ~~may not be larger than 20~~ must be approved by the commissioner and may not be in excess of 30 counties, provided the company complies with the additional reporting requirements stipulated in paragraph (g).

(c) Notwithstanding paragraph (b), a policy issued by a constituent company to the merger may remain effective, without respect to the policy being issued in a county outside the territory of the surviving company, until the policy:

(1) expires or is terminated by the policy's terms; or

(2) is terminated or annulled and canceled in accordance with section 67A.18.

The surviving company must not amend or renew a policy issued in a county outside the surviving company's territory.

~~(e)~~ (d) A township mutual fire insurance company may write new and renewal insurance on property in cities within the company's authorized territory having a population less than 25,000. A township mutual fire insurance company may continue to write new and renewal insurance once the population increases to 25,000 or greater provided that amended and restated articles are filed with the commissioner along with a certification that such city's population has increased to 25,000 or greater.

~~(d)~~ (e) A township mutual fire insurance company may write new and renewal insurance on property in cities within the company's authorized territory with a population of 25,000 or greater, but less than 150,000, if approval has been granted by the commissioner. No township mutual fire insurance company shall insure any property in cities with a population of 150,000 or greater.

~~(e)~~ (f) If a township mutual fire insurance company provides evidence to the commissioner that the company had insurance in force on December 31, 2007, in a city within the company's authorized territory with a population of 25,000 or greater, but less than 150,000, the company may write new and renewal insurance on property in that city provided that the company files amended and restated articles by July 31, 2010, naming that city.

(g) If a surviving company of a merger writes in more than 20 counties, that company must report to the commissioner the following items on a quarterly basis:

- (1) income statement;
- (2) balance sheet;
- (3) insurance in force; and
- (4) number of policies.

Sec. 3. Minnesota Statutes 2022, section 67A.14, subdivision 1, is amended to read:

Subdivision 1. **Kinds of property; property outside authorized territory.** (a) Township mutual fire insurance companies may insure qualified property. Qualified property means dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents.

(b) Township mutual fire insurance companies may extend coverage to include an insured's secondary property if the township mutual fire insurance company covers qualified property belonging to the insured. Secondary property means any real or personal property that is not considered qualified property for a township mutual fire insurance company to cover under this chapter. The maximum amount of coverage that a township mutual fire insurance company may write for secondary property is 25 percent of the total limit of liability of the policy issued to an insured covering the qualified property.

(c) A township mutual fire insurance company may insure any real or personal property, including qualified or secondary property, subject to the limitations in subdivision 1, paragraph (b), located outside the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, if the company is already covering qualified property belonging to the insured, inside the limits of the company's territory. For purposes of this paragraph, qualified property inside the limits of the company's territory includes qualified property outside the territory of the surviving company to a merger for the duration of the policy insuring the qualified property if the qualified property was qualified property inside the territory of a constituent company to the merger.

(d) A township mutual fire insurance company may insure property temporarily outside of the authorized territory of the township mutual fire insurance company.

Sec. 4. Minnesota Statutes 2022, section 507.071, is amended to read:

**507.071 TRANSFER ON DEATH DEEDS.**

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

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

**Subd. 2. Effect of transfer on death deed.** A deed that conveys or assigns an interest in real property, to a grantee beneficiary and that expressly states that the deed is only effective on the death of one or more of the grantor owners, transfers the interest to the grantee beneficiary upon the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, but subject to the survivorship provisions and requirements of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on title to the real property described in the deed, but it does create an insurable interest in the real property in favor of the designated grantee beneficiary or beneficiaries for purposes of insuring the real property against loss or damage that occurs on or after the transfer on death deed becomes effective. A transfer on death deed must comply with all provisions of Minnesota law applicable to deeds of real property including, but not limited to, the provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is neither a grantor owner nor an owner joins in the execution of, or consents in writing to, the



transfer on death deed, such joinder or consent shall be conclusive proof that upon the transfer becoming effective, the spouse no longer has or can claim any statutory interest or other marital interest in the interest in real property transferred by the transfer on death deed. However, such transfer shall remain an interest as identified in section 256B.15 for purposes of complying with and satisfying any claim or lien as authorized by subdivision 3.

**Subd. 3. Rights of creditors and rights of state and county under sections 246.53, 256B.15, 256D.16, 261.04, and 514.981.** The interest transferred to a beneficiary under a transfer on death deed after the death of a grantor owner is transferred subject to all effective conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, judgments, tax liens, and any other matters or encumbrances to which the interest was subject on the date of death of the grantor owner, upon whose death the transfer becomes effective including, but not limited to, any claim by a surviving spouse who did not join in the execution of, or consent in writing to, the transfer on death deed, and any claim or lien by the state or county agency authorized by sections 246.53, 256B.15, 256D.16, 261.04, and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount of any such claim. A beneficiary to whom the interest is transferred after the death of a grantor owner shall be liable to account to the state or county agency with a claim or lien authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary to discharge any such claim remaining unpaid after application of the assets of the deceased grantor owner's estate, but such liability shall be limited to the value of the interest transferred to the beneficiary. To establish compliance with this subdivision and subdivision 23, the beneficiary must record a clearance certificate issued in accordance with subdivision 23 in each county in which the real property described in the transfer on death deed is located.

**Subd. 4. Multiple grantee beneficiaries.** A transfer on death deed may designate multiple grantee beneficiaries to take title as joint tenants, as tenants in common or in any other form of ownership or tenancy that is valid under the laws of this state. If a grantee joint tenant dies before the grantor owner upon whose death the transfer occurs and no successor beneficiary for the deceased grantee is designated in the transfer on death deed, the surviving joint tenants are the successors and no interest lapses.

**Subd. 5. Successor grantee beneficiaries.** A transfer on death deed may designate one or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or both. If the transfer on death deed designates successor grantee beneficiaries or a class of successor grantee beneficiaries, the deed shall state the condition under which the interest of the successor grantee beneficiaries would vest.

**Subd. 6. Multiple joint tenant grantors.** If an interest in real property is owned as joint tenants, a transfer on death deed executed by all of the owners and, if required by section 507.02, their respective spouses, if any, that conveys an interest in real property to one or more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries effective only after the death of the last surviving grantor owner. If the last surviving joint tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer any interest and the deed is void. An estate in joint tenancy is not severed or affected by the subsequent execution of a transfer on death deed and the right of a surviving joint tenant owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary named in a transfer on death deed unless the deed specifically states that it severs the joint tenancy ownership.

Subd. 7. **Execution by attorney-in-fact.** A transfer on death deed may be executed by a duly appointed attorney-in-fact pursuant to a power of attorney which grants the attorney-in-fact the authority to execute deeds.

Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid if the deed is recorded in a county in which at least a part of the real property described in the deed is located and is recorded before the death of the grantor owner upon whose death the conveyance or transfer is effective. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a transfer on death deed that was recorded incorrectly or incompletely is valid if the deed was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. A transfer on death deed is not effective for purposes of section 507.34, 508.47, or 508A.47 until the deed is properly recorded in the county in which the real property is located. When a transfer on death deed is presented for recording, no certification by the county auditor as to transfer of ownership and current and delinquent taxes shall be required or made and the transfer on death deed shall not be required to be accompanied by a certificate of real estate value. A transfer on death deed that otherwise satisfies all statutory requirements for recording may be recorded and shall be accepted for recording in the county in which the property described in the deed is located. If any part of the property described in the transfer on death deed is registered property, the registrar of titles shall accept the transfer on death deed for recording only if at least one of the grantors who executes the transfer on death deed appears of record to have an ownership interest or other interest in the real property described in the deed. No certification or approval of a transfer on death deed shall be required of the examiner of titles prior to recording of the deed in the office of the registrar of titles.

Subd. 9. **Deed to trustee or other entity.** A transfer on death deed may transfer an interest in real property to the trustee of an inter vivos trust even if the trust is revocable, to the trustee of a testamentary trust or to any other entity legally qualified to hold title to real property under the laws of this state.

Subd. 10. **Revocation or modification of transfer on death deed.** (a) A transfer on death deed may be revoked at any time by the grantor owner or, if there is more than one grantor owner, by any of the grantor owners. A revocation revokes the transfer on death deed in its entirety. To be effective, the revocation must be recorded in a county in which at least a part of the real property is located before the death of the grantor owner or owners who execute the revocation. Notwithstanding the definition of recorded under subdivision 1, if the real property is registered property, a revocation that was recorded incorrectly or incompletely is effective if it was recorded before the death of the grantor owner in the office of the county recorder or the registrar of titles in a county in which at least part of the real property is located, and is memorialized on the certificate of title after death. The revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the revocation is properly recorded in a county in which the real property is located.

(b) If a grantor owner conveys to a third party, subsequent to the recording of the transfer on death deed, by means other than a transfer on death deed, all or a part of such grantor owner's interest in the property described in the transfer on death deed, no transfer of the conveyed interest shall occur on such grantor owner's death and the transfer on death deed shall be ineffective as to the conveyed or transferred interests, but the transfer on death deed remains effective with respect to

the conveyance or transfer on death of any other interests described in the transfer on death deed owned by the grantor owner at the time of the grantor owner's death.

(c) A transfer on death deed is a "governing instrument" within the meaning of section 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth in section 524.2-804.

Subd. 11. **Antilapse; deceased beneficiary; words of survivorship.** (a) Except when a successor grantee beneficiary is designated in the transfer on death deed for the grantee beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those of more remote degree take by right of representation.

(b) For the purposes of this subdivision, words of survivorship such as, in a conveyance to an individual, "if he or she survives me," or, in a class gift, to "my surviving children," are a sufficient indication of intent to condition the conveyance or transfer upon the beneficiary surviving the grantor owner.

(c) When issue of a deceased grantee beneficiary or members of a class take in place of the named grantee beneficiary pursuant to subdivision 5 or paragraph (a) or (b) or when a beneficiary dies and has no issue under paragraph (a), an affidavit of survivorship stating the names and shares of the beneficiaries or stating that a deceased beneficiary had no issue is not conclusive and a court order made in accordance with Minnesota probate law determining the beneficiaries and shares must also be recorded.

Subd. 12. **Lapse.** If all beneficiaries and all successor beneficiaries, if any, designated in a transfer on death deed, and also all successor beneficiaries who would take under the antilapse provisions of subdivision 11, fail to survive the grantor owner or the last survivor of the grantor owners if there are multiple grantor owners, if the beneficiary is a trust which has been revoked prior to the grantor owner's death, or if the beneficiary is an entity no longer in existence at the grantor owner's death, no transfer shall occur and the transfer on death deed is void.

Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records more than one transfer on death deed conveying the same interest in real property or a greater interest in the real property, or conveying part of the property in the earlier transfer on death deed, the transfer on death deed that has the latest acknowledgment date and that is recorded before the death of the grantor owner upon whose death the conveyance or transfer is conditioned is the effective transfer on death deed and all other transfer on death deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer any interest and are void, except that if the later transfer on death deed included only part of the land of the earlier deed, the earlier deed is effective for the lands not included in the subsequent deed, absent language to the contrary in the subsequent deed.

Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance; sale by conservator or guardian.** If at the time of the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, the grantor owner did not own a part or all of the real property described in the transfer on death deed, no conveyance or transfer to the beneficiary

of the nonowned part of the real property shall occur upon the death of the grantor owner and the transfer on death deed is void as to the nonowned part of the real property, but the beneficiary shall have the same rights to unpaid proceeds of sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as that of a specific devisee as set forth in section 524.2-606.

Subd. 15. **Nonexoneration.** Except as otherwise provided in subdivision 3, a conveyance or transfer under a transfer on death deed passes the described property subject to any mortgage or security interest existing at the date of death of the grantor owner, without right of exoneration, regardless of any statutory obligations to pay the grantor owner's debts upon death and regardless of a general directive in the grantor owner's will to pay debts.

Subd. 16. **Disclaimer by beneficiary.** A grantee beneficiary's interest under a transfer on death deed may be disclaimed as provided in sections 524.2-1101 to 524.2-1116, or as otherwise provided by law.

Subd. 17. **Effect on other conveyances.** This section does not prohibit other methods of conveying property that are permitted by law and that have the effect of postponing ownership or enjoyment of an interest in real property until the death of the owner. This section does not invalidate any deed that is not a transfer on death deed and that is otherwise effective to convey title to the interests and estates described in the deed that is not recorded until after the death of the owner.

Subd. 18. **Notice, consent, and delivery not required.** The signature, consent or agreement of, or notice to, a grantee beneficiary under a transfer on death deed, or delivery of the transfer on death deed to the grantee beneficiary, is not required for any purpose during the lifetime of the grantor owner.

Subd. 19. **Nonrevocation by will.** A transfer on death deed that is executed, acknowledged, and recorded in accordance with this section is not revoked by the provisions of a will.

Subd. 20. **Proof of survivorship and clearance from public assistance claims and liens; recording.** An affidavit of identity and survivorship with a certified copy of a record of death as an attachment may be combined with a clearance certificate under this section and the combined documents may be recorded separately or as one document in each county in which the real estate described in the clearance certificate is located. The affidavit must include the name and mailing address of the person to whom future property tax statements should be sent. The affidavit, record of death, and clearance certificate, whether combined or separate, shall be prima facie evidence of the facts stated in each, and the registrar of titles may rely on the statements to transfer title to the property described in the clearance certificate, except in cases where a court order is required pursuant to the provisions of subdivision 11, paragraph (c).

Subd. 21. **After-acquired property.** Except as provided in this subdivision, a transfer on death deed is not effective to transfer any interest in real property acquired by a grantor owner subsequent to the date of signing of a transfer on death deed. A grantor owner may provide by specific language in a transfer on death deed that the transfer on death deed will apply to any interest in the described property acquired by the grantor owner after the signing or recording of the deed.

Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary under a transfer on death deed which has not yet become effective is not subject to alienation; assignment;

encumbrance; appointment or anticipation by the beneficiary; garnishment; attachment; execution or bankruptcy proceedings; claims for alimony, support, or maintenance; payment of other obligations by any person against the beneficiary; or any other transfer, voluntary or involuntary, by or from any beneficiary.

**Subd. 23. Clearance for public assistance claims and liens.** Any person claiming an interest in real property conveyed or transferred by a transfer on death deed, or the person's attorney or other agent, may apply to the county agency in the county in which the real property is located for a clearance certificate for the real property described in the transfer on death deed. The application for a clearance certificate and the clearance certificate must contain the legal description of each parcel of property covered by the clearance certificate. The county agency shall provide a sufficient number of clearance certificates to allow a clearance certificate to be recorded in each county in which the real property described in the transfer on death deed is located. The real property described in the clearance certificate is bound by any conditions or other requirements imposed by the county agency as specified in the clearance certificate. If the real property is registered property, a new certificate of title must not be issued until the clearance certificate is recorded. If the clearance certificate shows the continuation of a medical assistance claim or lien after issuance of the clearance certificate, the real property remains subject to the claim or lien. If the real property is registered property, the clearance certificate must be carried forward as a memorial in any new certificate of title. The application shall contain the same information and shall be submitted, processed, and resolved in the same manner and on the same terms and conditions as provided in section 525.313 for a clearance certificate in a decree of descent proceeding, except that a copy of a notice of hearing does not have to accompany the application. The application may contain a statement that the applicant, after reasonably diligent inquiry, is not aware of the existence of a predeceased spouse or the existence of a claim which could be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16, 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise, and settlement of the claim or lien. A person claiming an interest in real property transferred or conveyed by a transfer on death deed may petition or move the district court, as appropriate, in the county in which the real property is located or in the county in which a probate proceeding affecting the estate of the grantor of the transfer on death deed is pending, for an order allowing sale of the real property free and clear of any public assistance claim or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a showing of good cause and subject to such notice as the court may require, the court without hearing may issue an order allowing the sale free and clear of any public assistance claim or lien on such terms and conditions as the court deems advisable to protect the interests of the state or county agency.

**Subd. 24. Form of transfer on death deed.** A transfer on death deed may be substantially in the following form:

#### Transfer on Death Deed

I (we) ..... (grantor owner or owners and spouses, if any, with marital status designated), grantor(s), hereby convey(s) and quitclaim(s) to ..... (grantee beneficiary, whether one or more) effective (check only one of the following)

.... on the death of the grantor owner, if only one grantor is named above, or on the death of the last of the grantor owners to die, if more than one grantor owner is named above, or

.... on the death of (name of grantor owner)

..... (must be one of the grantor owners named above), the following described real property:

(Legal description)

If checked, the following optional statement applies:

....When effective, this instrument conveys any and all interests in the described real property acquired by the grantor owner(s) before, on, or after the date of this instrument.

.....  
(Signature of grantor(s))

(acknowledgment)

Subd. 25. **Form of instrument of revocation.** An instrument of revocation may be substantially in the following form:

#### Revocation of Transfer on Death Deed

The undersigned hereby revokes the transfer on death deed recorded on ....., ....., as Document No. .... (or in Book ..... of ....., Page .....) in the office of the (County Recorder) (Registrar of Titles) of ..... County, Minnesota, affecting real property legally described as follows:

(legal description)

Dated:

.....  
Signature

(acknowledgment)

Subd. 26. **Jurisdiction.** In counties where the district court has a probate division, the application of subdivision 11 or other issues of interpretation or validity of the transfer on death deed, and actions to enforce a medical assistance lien or claim against real property described in a transfer on death deed and any matter raised in connection with enforcement shall be determined in the probate division. ~~Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.~~ In other counties, the district court shall have jurisdiction to determine any matter affecting real property purporting to be transferred by a transfer on death deed. Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.

#### **Sec. 5. [507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES OF TRANSFER ON DEATH DEEDS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply unless the context indicates otherwise.

(b) "Grantee beneficiary" has the meaning given in section 507.071, subdivision 1.

(c) "Insurance policy" means an insurance policy governed by chapter 65A.

(d) "Transfer on death deed" means a deed described in section 507.071.

(e) "Grantor owner" has the meaning given in section 507.071, subdivision 1.

(f) "Extended coverage" or "temporary extended coverage" means insurance coverage continuing beyond the death of the named insured.

Subd. 2. **Insurance policy to include grantee beneficiary.** An insurer providing an insurance policy on real property transferred by a transfer on death deed shall provide temporary extended coverage on the real property to the designated grantee beneficiary for a period commencing on the date of death of the grantor owner and ending when the grantee beneficiary replaces the insurance policy on the insured property with an insurance policy or the expiration of the time limitations set forth in subdivision 4, whichever occurs first.

Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer on death deed as provided in this section, the grantor owner must notify the insurer of the existence of a transfer on death deed. The notice shall include the names and contact information of all designated grantee beneficiaries.

Subd. 4. **Coverage extended.** The coverage extended under this section applies only with respect to the insurance policy insuring the real property of the grantor owner. The period of extended coverage shall not exceed 30 days from the date of the grantor owner's death or the expiration date of the insurance policy, whichever is less. An insurer is not required to provide notice to the grantee beneficiary for cancellation of coverage following the shorter of the 30 days or expiration date of the policy or the placement of replacement insurance coverage.

Subd. 5. **Proof demanded; policy conditions.** Before making any payment for a claim under this section, the insurer may require proof that the claimant is a grantee beneficiary under a transfer on death deed, the transfer on death deed was recorded as provided in section 507.071, and that an affidavit of survivorship and death certificate of the grantor owner was recorded as provided in section 507.071. The grantee beneficiary shall comply with the conditions of the policy.

Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest in the real property described in a transfer on death deed prior to the death of the grantor owner. Any claim on the insured real property described in a transfer on death deed initiated before the death of the grantor owner or the death benefits associated with the policy prior to the death of the grantor owner shall be settled with the estate of the grantor owner, not with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under an insurance policy extended as provided in this section in an amount greater than the grantee beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not entitled to any amounts paid out in prior claims on the property. If the transfer on death deed designates multiple grantee beneficiaries, nothing in this section requires the insurer to pay an amount for loss or damage to the insured real property that exceeds the amount that would be owed to the grantor owner if the grantor owner was living at the time of loss or damage.

Subd. 7. **Warnings on transfer on death deeds.** (a) On or after August 1 of the year of the effective date of this section, a transfer on death deed shall contain the following warnings in substantially the following form:

"Warning to Grantor Owner: Temporary extended coverage of any fire and casualty insurance policy on the property under Minnesota Statutes, chapter 65A, exists only if the grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072, subdivision 3, including the existence of a transfer on death deed and the names and contact information of all designated grantee beneficiaries. Any temporary extended coverage terminates on the earliest of (1) 30 days after the date of the grantor owner's death, (2) the expiration date of the policy, or (3) upon placement of a replacement insurance policy.

Warning to Grantee Beneficiary: A grantee beneficiary shall not presume insurance coverage continues after the death of the grantor owner. Upon the death of the grantor owner, the grantee beneficiary should determine whether the provisions of Minnesota Statutes, section 507.072, apply and consult with an insurance agent or attorney."

(b) The failure to include warnings in a transfer on death deed in accordance with this subdivision shall not invalidate the transfer on death deed or affect recording of the transfer on death deed.

**Sec. 6. DIRECTION TO COMMISSIONERS; REVIEW OF SERVICE TERMINATION REQUIREMENTS FOR RESIDENTIAL SERVICES.**

By August 1, 2024, the commissioners of human services and health must begin consulting with residential services providers licensed under Minnesota Statutes, chapters 144G and 245D, whose facilities provide services to individuals reimbursed under medical assistance to examine issues related to resident and staff safety and to impediments in the continuum of care for disability and behavioral health services arising from the application of Minnesota Statutes, chapter 504B, to licensed settings. By January 15, 2025, the commissioners must provide the chairs and ranking minority members of the legislative committees with jurisdiction over assisted living and home and community-based services licensure with recommendations, including draft legislation, to address issues of safety and access to care.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

**Sec. 7. EFFECTIVE DATE.**

Sections 6 and 7 are effective on the day following final enactment and apply to insurance policies issued or renewed in Minnesota on or after August 1, 2024. Sections 6 and 7 do not apply to insurance policies issued or renewed prior to August 1, 2024, or to transfer on death deeds recorded prior to that date unless the grantor owner provides the notice specified by section 6, subdivision 3.

**ARTICLE 2**

**FINANCIAL INSTITUTIONS**

**Section 1. [46A.01] DEFINITIONS.**



Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Authorized user.** "Authorized user" means any employee, contractor, agent, or other person who: (1) participates in a financial institution's business operations; and (2) is authorized to access and use any of the financial institution's information systems and data.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Consumer.** (a) "Consumer" means an individual who obtains or has obtained from a financial institution a financial product or service that is used primarily for personal, family, or household purposes, or is used by the individual's legal representative. Consumer includes but is not limited to an individual who:

(1) applies to a financial institution for credit for personal, family, or household purposes, regardless of whether the credit is extended;

(2) provides nonpublic personal information to a financial institution in order to obtain a determination whether the individual qualifies for a loan used primarily for personal, family, or household purposes, regardless of whether the loan is extended;

(3) provides nonpublic personal information to a financial institution in connection with obtaining or seeking to obtain financial, investment, or economic advisory services, regardless of whether the financial institution establishes a continuing advisory relationship with the individual; or

(4) has a loan for personal, family, or household purposes in which the financial institution has ownership or servicing rights, even if the financial institution or one or more other institutions that hold ownership or servicing rights in conjunction with the financial institution hires an agent to collect on the loan.

(b) Consumer does not include an individual who:

(1) is a consumer of another financial institution that uses a different financial institution to act solely as an agent for, or provide processing or other services to, the consumer's financial institution;

(2) designates a financial institution solely for the purposes to act as a trustee for a trust;

(3) is the beneficiary of a trust for which the financial institution serves as trustee; or

(4) is a participant or a beneficiary of an employee benefit plan that the financial institution sponsors or for which the financial institution acts as a trustee or fiduciary.

Subd. 5. **Continuing relationship.** (a) "Continuing relationship" means a consumer:

(1) has a credit or investment account with a financial institution;

(2) obtains a loan from a financial institution;

(3) purchases an insurance product from a financial institution;

(4) holds an investment product through a financial institution, including but not limited to when the financial institution acts as a custodian for securities or for assets in an individual retirement arrangement;

(5) enters into an agreement or understanding with a financial institution whereby the financial institution undertakes to arrange or broker a home mortgage loan, or credit to purchase a vehicle, for the consumer;

(6) enters into a lease of personal property on a nonoperating basis with a financial institution;

(7) obtains financial, investment, or economic advisory services from a financial institution for a fee;

(8) becomes a financial institution's client to obtain tax preparation or credit counseling services from the financial institution;

(9) obtains career counseling while: (i) seeking employment with a financial institution or the finance, accounting, or audit department of any company; or (ii) employed by a financial institution or department of any company;

(10) is obligated on an account that a financial institution purchases from another financial institution, regardless of whether the account is in default when purchased, unless the financial institution does not locate the consumer or attempt to collect any amount from the consumer on the account;

(11) obtains real estate settlement services from a financial institution; or

(12) has a loan for which a financial institution owns the servicing rights.

(b) Continuing relationship does not include situations where:

(1) the consumer obtains a financial product or service from a financial institution only in isolated transactions, including but not limited to: (i) using a financial institution's automated teller machine to withdraw cash from an account at another financial institution; (ii) purchasing a money order from a financial institution; (iii) cashing a check with a financial institution; or (iv) making a wire transfer through a financial institution;

(2) a financial institution sells the consumer's loan and does not retain the rights to service the loan;

(3) a financial institution sells the consumer airline tickets, travel insurance, or traveler's checks in isolated transactions;

(4) the consumer obtains onetime personal or real property appraisal services from a financial institution; or

(5) the consumer purchases checks for a personal checking account from a financial institution.

Subd. 6. **Customer.** "Customer" means a consumer who has a customer relationship with a financial institution.

Subd. 7. **Customer information.** "Customer information" means any record containing nonpublic personal information about a financial institution's customer, whether the record is in paper, electronic, or another form, that is handled or maintained by or on behalf of the financial institution or the financial institution's affiliates.

Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship between a consumer and a financial institution under which the financial institution provides to the consumer one or more financial products or services that are used primarily for personal, family, or household purposes.

Subd. 9. **Encryption.** "Encryption" means the transformation of data into a format that results in a low probability of assigning meaning without the use of a protective process or key, consistent with current cryptographic standards and accompanied by appropriate safeguards for cryptographic key material.

Subd. 10. **Federally insured depository financial institution.** "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, when the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits.

Subd. 11. **Financial product or service.** "Financial product or service" means any product or service that a financial holding company could offer by engaging in a financial activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code, title 12, section 1843(k). Financial product or service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

Subd. 12. **Financial institution.** "Financial institution" means a consumer small loan lender under section 47.60, a person owning or maintaining electronic financial terminals under section 47.62, a trust company under chapter 48A, a loan and thrift company under chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B, a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a residential mortgage originator or servicer under chapter 58, a student loan servicer under chapter 58B, a credit service organization under section 332.54, a debt management service provider or person providing debt management services under chapter 332A, or a debt settlement service provider or person providing debt settlement services under chapter 332B.

Subd. 13. **Information security program.** "Information security program" means the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

Subd. 14. **Information system.** "Information system" means a discrete set of electronic information resources organized to collect, process, maintain, use, share, disseminate, or dispose of electronic information, as well as any specialized system, including but not limited to industrial process controls systems, telephone switching and private branch exchange systems, and

environmental controls systems, that contains customer information or that is connected to a system that contains customer information.

Subd. 15. **Multifactor authentication.** "Multifactor authentication" means authentication through verification of at least two of the following factors:

- (1) knowledge factors, including but not limited to a password;
- (2) possession factors, including but not limited to a token; or
- (3) inherence factors, including but not limited to biometric characteristics.

Subd. 16. **Nonpublic personal information.** (a) "Nonpublic personal information" means:

- (1) personally identifiable financial information; or
- (2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived using personally identifiable financial information that is not publicly available.

(b) Nonpublic personal information includes but is not limited to any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, including account numbers.

(c) Nonpublic personal information does not include:

- (1) publicly available information, except as included on a list described in paragraph (a), clause (2);

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived without using any personally identifiable financial information that is not publicly available; or

(3) any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any individual on the list is the financial institution's consumer.

Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for purposes of this subdivision if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of customer information.

Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting to penetrate databases or controls from outside or inside a financial institution's information systems.

Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable financial information" means any information:

- (1) a consumer provides to a financial institution to obtain a financial product or service;
- (2) about a consumer resulting from any transaction involving a financial product or service between a financial institution and a consumer; or
- (3) a financial institution otherwise obtains about a consumer in connection with providing a financial product or service to the customer.

(b) Personally identifiable financial information includes:

- (1) information a consumer provides to a financial institution on an application to obtain a loan, credit card, or other financial product or service;
- (2) account balance information, payment history, overdraft history, and credit or debit card purchase information;
- (3) the fact that an individual is or has been a financial institution's customer or has obtained a financial product or service from the financial institution;
- (4) any information about a financial institution's consumer, if the information is disclosed in a manner that indicates that the individual is or has been the financial institution's consumer;
- (5) any information that a consumer provides to a financial institution or that a financial institution or a financial institution's agent otherwise obtains in connection with collecting on or servicing a credit account;
- (6) any information a financial institution collects through an Internet information collecting device from a web server; and
- (7) information from a consumer report.

(c) Personally identifiable financial information does not include:

- (1) a list of customer names and addresses for an entity that is not a financial institution; and
- (2) information that does not identify a consumer, including but not limited to aggregate information or blind data that does not contain personal identifiers, including account numbers, names, or addresses.

Subd. 20. **Publicly available information.** (a) "Publicly available information" means any information that a financial institution has a reasonable basis to believe is lawfully made available to the general public from:

- (1) federal, state, or local government records;
- (2) widely distributed media; or
- (3) disclosures to the general public that are required under federal, state, or local law.

(b) Publicly available information includes but is not limited to:

(1) with respect to government records, information in government real estate records and security interest filings; and

(2) with respect to widely distributed media, information from a telephone book, a television or radio program, a newspaper, or a website that is available to the general public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, provided that access is available to the general public.

(c) For purposes of this subdivision, a financial institution has a reasonable basis to believe that information is lawfully made available to the general public if the financial institution has taken steps to determine: (1) that the information is of the type that is available to the general public; and (2) whether an individual can direct that the information not be made available to the general public and, if so, that the financial institution's consumer has not directed that the information not be made available to the general public. A financial institution has a reasonable basis to believe that mortgage information is lawfully made available to the general public if the financial institution determines the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded. A financial institution has a reasonable basis to believe that an individual's telephone number is lawfully made available to the general public if the financial institution has located the telephone number in the telephone book or the consumer has informed the financial institution that the telephone number is not unlisted.

Subd. 21. **Qualified individual.** "Qualified individual" means the individual designated by a financial institution to oversee, implement, and enforce the financial institution's information security program.

Subd. 22. **Security event.** "Security event" means an event resulting in unauthorized access to, or disruption or misuse of: (1) an information system or information stored on an information system; or (2) customer information held in physical form.

Subd. 23. **Service provider.** "Service provider" means any person or entity that receives, maintains, processes, or otherwise is permitted access to customer information through the service provider's provision of services directly to a financial institution that is subject to this chapter.

**Sec. 2. [46A.02] SAFEGUARDING CUSTOMER INFORMATION; STANDARDS.**

Subdivision 1. **Information security program.** (a) A financial institution must develop, implement, and maintain a comprehensive information security program.

(b) The information security program must: (1) be written in one or more readily accessible parts; and (2) contain administrative, technical, and physical safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of any customer information at issue.

(c) The information security program must include the elements set forth in section 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as established under subdivision 2.

Subd. 2. **Objectives.** The objectives of this chapter are to:

- (1) ensure the security and confidentiality of customer information;
- (2) protect against any anticipated threats or hazards to the security or integrity of customer information; and
- (3) protect against unauthorized access to or use of customer information that might result in substantial harm or inconvenience to a customer.

Sec. 3. **[46A.03] ELEMENTS.**

Subdivision 1. **Generally.** In order to develop, implement, and maintain an information security program, a financial institution must comply with this section.

Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified individual responsible for overseeing, implementing, and enforcing the financial institution's information security program. The qualified individual may be employed by the financial institution, an affiliate, or a service provider.

(b) If a financial institution designates an individual employed by an affiliate or service provider as the financial institution's qualified individual, the financial institution must:

- (1) retain responsibility for complying with this chapter;
- (2) designate a senior member of the financial institution's personnel to be responsible for directing and overseeing the qualified individual's activities; and
- (3) require the service provider or affiliate to maintain an information security program that protects the financial institution in a manner that complies with the requirements of this chapter.

Subd. 3. **Security risk assessment.** (a) A financial institution must base the financial institution's information security program on a risk assessment that:

- (1) identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and
- (2) assesses the sufficiency of any safeguards in place to control the risks identified under clause (1).

(b) The risk assessment must be made in writing and must include:

- (1) criteria to evaluate and categorize identified security risks or threats the financial institution faces;
- (2) criteria to assess the confidentiality, integrity, and availability of the financial institution's information systems and customer information, including the adequacy of existing controls in the context of the identified risks or threats the financial institution faces; and

(3) requirements describing how:

(i) identified risks are mitigated or accepted based on the risk assessment; and

(ii) the information security program addresses the risks.

(c) A financial institution must periodically perform additional risk assessments that:

(1) reexamine the reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that might result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of customer information; and

(2) reassess the sufficiency of any safeguards in place to control the risks identified under clause (1).

Subd. 4. **Risk control.** A financial institution must design and implement safeguards to control the risks the financial institution identifies through the risk assessment under subdivision 3, including by:

(1) implementing and periodically reviewing access controls, including technical and, as appropriate, physical controls to:

(i) authenticate and permit access only to authorized users to protect against the unauthorized acquisition of customer information; and

(ii) limit an authorized user's access to only customer information that the authorized user needs to perform the authorized user's duties and functions or, in the case of a customer, to limit access to the customer's own information;

(2) identifying and managing the data, personnel, devices, systems, and facilities that enable the financial institution to achieve business purposes in accordance with the business purpose's relative importance to business objectives and the financial institution's risk strategy;

(3) protecting by encryption all customer information held or transmitted by the financial institution both in transit over external networks and at rest. To the extent a financial institution determines that encryption of customer information either in transit over external networks or at rest is infeasible, the financial institution may secure the customer information using effective alternative compensating controls that have been reviewed and approved by the financial institution's qualified individual;

(4) adopting: (i) secure development practices for in-house developed applications utilized by the financial institution to transmit, access, or store customer information; and (ii) procedures to evaluate, assess, or test the security of externally developed applications the financial institution uses to transmit, access, or store customer information;

(5) implementing multifactor authentication for any individual that accesses any information system, unless the financial institution's qualified individual has approved in writing the use of a reasonably equivalent or more secure access control;



(6) developing, implementing, and maintaining procedures to securely dispose of customer information in any format no later than two years after the last date the information is used in connection with providing a product or service to the customer which relates, unless: (i) the information is necessary for business operations or for other legitimate business purposes; (ii) is otherwise required to be retained by law or regulation; or (iii) if targeted disposal of the information is not reasonably feasible due to the manner in which the information is maintained;

(7) periodically reviewing the financial institution's data retention policy to minimize the unnecessary retention of data;

(8) adopting procedures for change management; and

(9) implementing policies, procedures, and controls designed to: (i) monitor and log the activity of authorized users; and (ii) detect unauthorized access to, use of, or tampering with customer information by authorized users.

Subd. 5. **Testing and monitoring.** (a) A financial institution must regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures, including the controls, systems, and procedures that detect actual and attempted attacks on, or intrusions into, information systems.

(b) For information systems, monitoring and testing must include continuous monitoring or periodic penetration testing and vulnerability assessments. Absent effective continuous monitoring or other systems to detect on an ongoing basis any changes in information systems that may create vulnerabilities, a financial institution must conduct:

(1) annual penetration testing of the financial institution's information systems, based on relevant identified risks in accordance with the risk assessment; and

(2) vulnerability assessments, including systemic scans or information systems reviews that are reasonably designed to identify publicly known security vulnerabilities in the financial institution's information systems based on the risk assessment, at least every six months, whenever a material change to the financial institution's operations or business arrangements occurs, and whenever the financial institution knows or has reason to know circumstances exist that may have a material impact on the financial institution's information security program.

Subd. 6. **Internal policies and procedures.** A financial institution must implement policies and procedures to ensure that the financial institution's personnel are able to enact the financial institution's information security program by:

(1) providing the financial institution's personnel with security awareness training that is updated as necessary to reflect risks identified by the risk assessment;

(2) utilizing qualified information security personnel employed by the financial institution, an affiliate, or a service provider sufficient to manage the financial institution's information security risks and to perform or oversee the information security program;

(3) providing information security personnel with security updates and training sufficient to address relevant security risks; and

(4) verifying that key information security personnel take steps to maintain current knowledge of changing information security threats and countermeasures.

Subd. 7. **Provider oversight.** A financial institution must oversee service providers by:

(1) taking reasonable steps to select and retain service providers that are capable of maintaining appropriate safeguards for the customer information at issue;

(2) requiring by contract the financial institution's service providers to implement and maintain appropriate safeguards; and

(3) periodically assessing the financial institution's service providers based on the risk the service providers present and the continued adequacy of the service providers' safeguards.

Subd. 8. **Information security program; evaluation; adjustment.** A financial institution must evaluate and adjust the financial institution's information security program to reflect: (1) the results of the testing and monitoring required under subdivision 5; (2) any material changes to the financial institution's operations or business arrangements; (3) the results of risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances that the financial institution knows or has reason to know may have a material impact on the financial institution's information security program.

Subd. 9. **Incident response plan.** A financial institution must establish a written incident response plan designed to promptly respond to and recover from any security event materially affecting the confidentiality, integrity, or availability of customer information the financial institution controls. An incident response plan must address:

(1) the goals of the incident response plan;

(2) the internal processes to respond to a security event;

(3) clear roles, responsibilities, and levels of decision making authority;

(4) external and internal communications and information sharing;

(5) requirements to remediate any identified weaknesses in information systems and associated controls;

(6) documentation and reporting regarding security events and related incident response activities; and

(7) evaluation and revision of the incident response plan as necessary after a security event.

Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's qualified individual to report at least annually in writing to the financial institution's board of directors or equivalent governing body. If a board of directors or equivalent governing body does not exist, the report under this subdivision must be timely presented to a senior officer responsible for the financial institution's information security program.

(b) The report made under this subdivision must include the following information:

(1) the overall status of the financial institution's information security program, including compliance with this chapter and associated administrative rules; and

(2) material matters related to the financial institution's information security program, including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk management and control decisions; (iii) service provider arrangements; (iv) testing results; (v) security events or violations and management's responses to the security event or violation; and (vi) recommendations for changes in the information security program.

Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish a written plan addressing business continuity and disaster recovery.

Sec. 4. **[46A.04] EXCEPTIONS AND EXEMPTIONS.**

(a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 5. **[46A.05] ALTERATION OF FEDERAL REGULATION.**

(a) If an amendment to Code of Federal Regulations, title 16, part 314, results in a complete lack of federal regulations in the area, the version of the state requirements in effect at the time of the amendment remain in effect for two years from the date the amendment becomes effective.

(b) During the time period under paragraph (a), the department must adopt replacement administrative rules as necessary and appropriate.

Sec. 6. **[46A.06] NOTIFICATION EVENT.**

Subdivision 1. **Notification requirement.** (a) Upon discovering a notification event as described in subdivision 2, if the notification event involves the information of at least 500 consumers, a financial institution must notify the commissioner without undue delay, but no later than 45 days after the date the event is discovered. The notice must be made (1) in a format specified by the commissioner, and (2) electronically on a form located on the department's website.

(b) The notice must include:

(1) the name and contact information of the reporting financial institution;

(2) a description of the types of information involved in the notification event;

(3) if possible to determine, the date or date range of the notification event;

(4) the number of consumers affected or potentially affected by the notification event;

(5) a general description of the notification event; and

(6) a statement (i) disclosing whether a law enforcement official has provided the financial institution with a written determination indicating that providing notice to the public regarding the breach would impede a criminal investigation or cause damage to national security, and (ii) if a written determination described under item (i) was provided to the financial institution, providing contact information that enables the commissioner to contact the law enforcement official. A law enforcement official may request an initial delay of up to 45 days following the date that notice was provided to the commissioner. The delay may be extended for an additional period of up to 60 days if the law enforcement official seeks an extension in writing. An additional delay may be permitted only if the commissioner determines that public disclosure of a security event continues to impede a criminal investigation or cause damage to national security.

Subd. 2. **Notification event treated as discovered.** A notification event must be treated as discovered on the first day when the event is known to a financial institution. A financial institution is deemed to have knowledge of a notification event if the event is known to any person, other than the person committing the breach, who is the financial institution's employee, officer, or other agent.

Sec. 7. **[46A.07] COMMISSIONER'S POWERS.**

(a) The commissioner has the power to examine and investigate the affairs of any covered financial institution to determine whether the financial institution has been or is engaged in any conduct that violates this chapter. This power is in addition to the powers granted to the commissioner under section 46.01.

(b) If the commissioner has reason to believe that a financial institution has been or is engaged in conduct in Minnesota that violates this chapter, the commissioner may take action necessary or appropriate to enforce this chapter.

Sec. 8. **[46A.08] CONFIDENTIALITY.**

Subdivision 1. **Financial institution information.** (a) Any documents, materials, or other information in the control or possession of the department that are furnished by a licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant to section 46A.06 or that are obtained by the commissioner in an investigation or examination pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both; (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence in any private civil action.

(b) Notwithstanding paragraph (a), clauses (1) to (3), the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner is permitted or required to testify in a private civil action concerning confidential documents, materials, or information subject to subdivision 1.

Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

(1) share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision 1, with other state, federal, and international regulatory agencies, with the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and must maintain as confidential or privileged any document, material, or information received with notice or the understanding that the document, material, or information is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) share documents, materials, or other information subject to subdivision 1 with a third-party consultant or vendor, provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) enter into agreements governing the sharing and use of information that are consistent with this subdivision.

Subd. 4. **No waiver of privilege or confidentiality; information retention.** (a) The disclosure of documents, materials, or information to the commissioner under this section or as a result of sharing as authorized in subdivision 3 does not result in a waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information.

(b) A document, material, or information disclosed to the commissioner under this section about a cybersecurity event must be retained and preserved by the financial institution for five years.

Subd. 5. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates, or the Conference of State Bank Supervisors' subsidiaries.

Subd. 6. **Classification, protection, and use of information by others.** Documents, materials, or other information in the possession or control of the Conference of State Bank Supervisors or a third-party consultant pursuant to sections 46A.01 to 46A.08: (1) are classified as confidential, protected nonpublic, and privileged; (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence in a private civil action.

Sec. 9. Minnesota Statutes 2022, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than ~~\$100,000~~ or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 10. Minnesota Statutes 2022, section 47.54, subdivision 2, is amended to read:

Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must provide written consent approving the application without a hearing if ~~it is found~~ the commissioner finds that ~~(a): (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition;~~ (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition; ~~(b); (2) the establishment of the proposed detached facility will improve~~ improves the quality or increase the availability of banking services in the community to be served; ~~and (c) (3)~~



the establishment of the proposed detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served.

~~Otherwise,~~ (b) The commissioner shall must deny the an application that does not meet the criteria under paragraph (a), clauses (1) to (3).

(c) Any proceedings for judicial review of an order of written consent provided by the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 11. Minnesota Statutes 2022, section 47.54, subdivision 6, is amended to read:

Subd. 6. **Expiration and extension of order approval.** If a facility is not activated within 18 months from the date ~~of the order~~ approval is granted under subdivision 2, the approval ~~order~~ automatically expires. Upon ~~a request of~~ made by the applicant prior to before the automatic expiration date of the order approval expires, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's ~~order~~ approval is the subject of an appeal in accordance with chapter 14, the time period referred to in this section ~~for activation of to activate~~ the facility and any extensions ~~shall begin~~ begins when all appeals or rights of appeal from the commissioner's ~~order~~ approval have concluded or expired.

Sec. 12. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in any state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in any state adjoining a state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

Sec. 13. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended to read:

Subd. 18. **Money transmission.** (a) "Money transmission" means:

(1) selling or issuing payment instruments to a person located in this state;

(2) selling or issuing stored value to a person located in this state; or

(3) receiving money for transmission from a person located in this state.

(b) ~~Money includes payroll processing services.~~ Money transmission does not include the provision solely of online or telecommunications services or network access.

Sec. 14. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended to read:

Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving money for transmission pursuant to a contract with a person to deliver~~ delivering wages or salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making payments relating to employee benefit plans, ~~or make~~ making distributions of other authorized deductions from wages or salaries, ~~or transmitting money on behalf of an employer in connection with transactions related to employees.~~ The term payroll processing services ~~does not include~~ includes an employer performing payroll processing services on the employer's own behalf or on behalf of the employer's affiliate, ~~or a and professional employment organization subject to regulation under other applicable state law organizations.~~

Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

#### **53B.29 EXEMPTIONS.**

This chapter does not apply to:

(1) an operator of a payment system, to the extent the operator of a payment system provides processing, clearing, or settlement services between or among persons exempted by this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers;

(2) a person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided that:

(i) there exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(ii) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(iii) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee;

(3) a person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided that the entity:

(i) is properly licensed or exempt from licensing requirements under this chapter;

(ii) provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(iii) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient;

(4) the United States; a department, agency, or instrumentality of the United States; or an agent of the United States;

(5) money transmission by the United States Postal Service or by an agent of the United States Postal Service;

(6) a state; county; city; any other governmental agency, governmental subdivision, or instrumentality of a state; or the state's agent;

(7) a federally insured depository financial institution; bank holding company; office of an international banking corporation; foreign bank that establishes a federal branch pursuant to the International Bank Act, United States Code, title 12, section 3102, as amended or recodified from time to time; corporation organized pursuant to the Bank Service Corporation Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from time to time; or corporation organized under the Edge Act, United States Code, title 12, sections 611 to 633, as amended or recodified from time to time;

(8) electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

(9) a board of trade designated as a contract market under the federal Commodity Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from time to time; or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of its operation as or for a board;

(10) a registered futures commission merchant under the federal commodities laws, to the extent of the registered futures commission merchant's operation as a merchant;

(11) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer;

(12) an individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements under this chapter when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor;

(13) a person expressly appointed as a third-party service provider to or agent of an entity exempt under clause (7), solely to the extent that:

(i) the service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent; ~~or~~

(14) payroll processing services providers; or

~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the exemption is in the public interest, and (ii) the regulation of the person is not necessary for the purposes of this chapter.

Sec. 16. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to read:

Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide Multistate Licensing System and Registry" has the meaning given in section 58A.02, subdivision 8.

Sec. 17. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real ~~property~~ estate.

Sec. 18. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real estate.** "Residential real estate" means real property located in Minnesota upon which a dwelling, as defined in United States Code, title 15, section 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies the real property.

Sec. 19. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain a surety bond in the amounts prescribed under section 58.08.

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;

- (2) a financial institution as defined in section 58.02, subdivision 10;
- (3) an agency of the federal government, or of a state or municipal government;
- (4) an employee or employer pension plan making loans only to its participants;
- (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction;
- (6) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);
- ~~(6)~~ (7) a person exempted by order of the commissioner; or
- ~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b, or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:
  - (i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;
  - (ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and
  - (iii) discloses to the borrower in writing:
    - (A) if a corporate affiliation with a lender exists;
    - (B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and
    - (C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender.
  - (d) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.
  - (e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Sec. 20. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) The following persons are exempt from the residential mortgage servicer licensing requirements:

- (1) a person licensed as a residential mortgage originator;
- (2) an employee of one licensee or one person holding a certificate of exemption based on an exemption under this subdivision;
- (3) a person servicing loans made with its own funds, if no more than three such loans are made in any 12-month period;
- (4) a financial institution as defined in section 58.02, subdivision 10;
- (5) an agency of the federal government, or of a state or municipal government;
- (6) an employee or employer pension plan making loans only to its participants;
- (7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; ~~or~~
- (8) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

~~(8)~~ (9) a person exempted by order of the commissioner.

Sec. 21. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04, subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing requirements of this chapter, but is subject to all other provisions of this chapter.

(b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision 4, even if the institution is otherwise an exempt person.

Sec. 22. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph (c); (1) a financial institution under section 58.04, subdivision 1, paragraph (c), clause (2); (2) a bona fide nonprofit organization under section 58.04, subdivision 1, paragraph (c), clause (6); or (3) a person exempted by order of the commissioner under section 58.04, subdivision 1, paragraph (c), clause (6); or (7).

(b) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b); as: (1) a financial institution under section 58.04, subdivision 2, paragraph (b), clause (4); (2) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or (3) a person exempted by order of the commissioner under clause (8) (9).

Sec. 23. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 5. **Background checks.** In connection with an application for a residential mortgage loan originator or servicer license, any person in control of an applicant must, at a minimum, provide the Nationwide Multistate Licensing System and Registry information concerning the person's identity, including:

(1) fingerprints for submission to the Federal Bureau of Investigation and a governmental agency or entity authorized to receive the information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the Nationwide Multistate Licensing System and Registry, including the submission of authorization for the Nationwide Multistate Licensing System and Registry and the commissioner to obtain:

(i) an independent credit report obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and

(ii) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

Sec. 24. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 6. **Requesting and distributing criminal information; agency.** For the purposes of this section and in order to reduce the points of contact the Federal Bureau of Investigation may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request information from and distribute information to the United States Department of Justice or any governmental agency.

Sec. 25. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 7. **Requesting and distributing noncriminal information; agency.** For the purposes of this section and in order to reduce the points of contact the commissioner may have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request and distribute information from and to any source, as directed by the commissioner.

Sec. 26. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of ~~\$100,000~~ \$125,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond must be submitted with the originator's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond shall remain in effect during all periods of licensing.

(c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Closed Residential Mortgage Loans    Surety Bond Required

\$0 to <del>\$5,000,000</del> <u>\$10,000,000</u>	<del>\$100,000</del> <u>\$125,000</u>
<del>\$5,000,000.01</del> <u>\$10,000,000.01</u> to <del>\$10,000,000</del> <u>\$25,000,000</u>	<del>\$125,000</del> <u>\$150,000</u>
<del>\$10,000,000.01</del> <u>\$25,000,000.01</u> to <del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$150,000</del> <u>\$200,000</u>
Over <del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$200,000</del> <u>\$300,000</u>

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 27. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicers.** (a) A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond must remain in effect during all periods of a license.

(c) Upon filing the mortgage call report under section 58.141, a licensee must maintain or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal balance for residential mortgage loans serviced in Minnesota during the preceding quarter according to the table in this paragraph. A licensee may decrease the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Unpaid Principal Balance for Serviced Residential Mortgage Loans    Surety Bond Required



<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
<u>Over \$50,000,000</u>	<u>\$300,000</u>

Sec. 28. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

Subd. 3. **Consumer education account; money credited and appropriated.** (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner ~~for the purpose of making to:~~ (1) make grants to programs and campaigns designed to help consumers avoid being victimized by unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership education. The commissioner must give preference ~~shall be given for grants~~ to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 29. Minnesota Statutes 2022, section 58.115, is amended to read:

#### **58.115 EXAMINATIONS.**

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04. In addition to the powers under section 46.04, the commissioner may accept examination reports prepared by a state agency that has comparable supervisory powers and examination procedures. The authority under section 49.411, subdivision 7, applies to examinations of institutions under this chapter.

Sec. 30. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

(1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;

(2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;

(3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, paragraph (d);

(4) fail to disburse funds according to its contractual or statutory obligations;

(5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

(6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;

(7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

(9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;

(10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit

score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case;

(22) violate section 82.77, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from an authorized independent loan counselor that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan. For purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing home buyer education programs, foreclosure prevention services, mortgage loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(24) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans

in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan, including criteria established by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development for interest rate reduction refinancing loans or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; however, such other criteria must be verified through reasonably reliable methods and documentation. The mortgage originator's analysis of the borrower's reasonable ability to repay may include, but is not limited to, consideration of the following items, if verified: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records, provided that no mortgage originator shall disregard facts and circumstances that indicate that the financial or other information submitted by the consumer is inaccurate or incomplete. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources or sole reliance on any single item listed above is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(25) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. In order to demonstrate a reasonable, tangible net benefit to the borrower, the circumstances must be documented in writing and must be signed by the borrower and lender three days before the closing date. The written analysis must, with respect to the prior loan and the new loan, document the: (i) origination date; (ii) loan amount; (iii) loan balance; (iv) loan term; (v) loan program; (vi) type of loan; (vii) interest rate; (viii) monthly amount of principal and interest paid; (ix) monthly amount of private mortgage insurance paid; (x) loan purpose; (xi) loan origination cost; (xii) cash to borrower, if applicable; and (xiii) time to recoup the loan cost, if applicable, expressed in months;

(26) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that

the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(27) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered bank, savings bank, or credit union, an institution chartered by Congress under the Farm Credit Act, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 31. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

Subdivision 1. **Mortgage call reports.** A residential mortgage originator or servicer must submit reports of condition to the Nationwide Multistate Licensing System and Registry. Reports submitted under this subdivision must be in the form and contain the information required by the Nationwide Multistate Licensing System and Registry.

Subd. 2. **Report to Nationwide Multistate Licensing System and Registry.** Subject to section 58A.14, the commissioner must regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Multistate Licensing System and Registry.

Subd. 3. **Unique identifier; display.** The unique identifier of any person originating a residential mortgage loan must be clearly displayed on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or websites, and any other documents the commissioner establishes by rule or order.

Sec. 32. **[60M.01] DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Bail bond agency.** "Bail bond agency" means an agency contracted by a surety to supervise or otherwise manage the bail bond business written in Minnesota by producers appointed by the surety.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Department.** "Department" means the Department of Commerce.

Subd. 5. **Negotiate.** "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular insurance contract concerning any of the substantive benefits, terms, or conditions of the contract, if the person engaged in the act either sells insurance or obtains insurance from insurers for purchasers.

Subd. 6. **Net premium.** "Net premium" means a bond's premium, less any commission agreed to in advance and in writing between a producer and the surety or bail bond agency.

Subd. 7. **Personal information.** "Personal information" has the meaning given in section 72A.491, subdivision 17.

Subd. 8. **Privileged information.** "Privileged information" has the meaning given in section 72A.491, subdivision 19.

Subd. 9. **Producer.** "Producer" means a person that works for a supervising bail bond agency and is appointed by a surety to execute or countersign bail bonds for the surety in connection with judicial proceedings.

Subd. 10. **Sell.** "Sell" means to exchange on behalf of an insurance company an insurance contract by any means for money or money's equivalent.

Subd. 11. **Solicit.** "Solicit" means: (1) any written or printed presentation or advertising made by mail or other publication which implies that an individual is licensed to sell bail bonds; (2) an oral presentation or advertising in person or by means of telephone, radio, or television, which implies that an individual is licensed to sell bail bonds; (3) an activity in arranging for bail which results in compensation or anything of value to the individual conducting that activity; or (4) an attempt to sell or ask or urge a person to apply for a bail bond from a surety.

Subd. 12. **Surety.** "Surety" means a domestic, foreign, or alien insurance company that is licensed to transact surety business in Minnesota under section 60A.06.

Sec. 33. **[60M.02] PREMIUMS.**

Subdivision 1. **Premiums; generally.** (a) Regardless of whether a producer is an employee or an independent contractor, a producer must charge the approved, filed rate of the surety being used to post a bail bond. Except as provided in subdivision 2 or in a situation where cash bail is set by the court under subdivision 5, the rate charged must not be less than the surety's filed rate.

(b) A producer is prohibited from providing a premium rebate.

(c) A producer may charge travel or other related fees, provided the producer complies with section 60K.46, subdivision 2.

Subd. 2. **Minimum premium.** A producer must charge a minimum premium of \$100. Any premium amount must be included in the surety's rate filing with the commissioner.

Subd. 3. **Bail bonds less than \$10,000.** (a) A producer is prohibited from posting a bail bond with a penal sum of \$10,000 or less unless the producer has:

(1) received at least 50 percent of the total premium owed under the surety's rate filing;

(2) provided the premium's payer with a receipt that indicates the premium paid; and

(3) if the payment in full is not made before posting the bond, obtained a promissory note from the premium payer that requires the premium payer to pay the unpaid premium in full within 120 days after the date the bond is posted.

(b) A promissory note issued under paragraph (a), clause (3), must be made on a surety or bail bond agency form that has been approved by the commissioner. The maximum interest rate allowed in a promissory note under this subdivision is six percent. A promissory note may authorize collection of the actual costs incurred to collect the premium, including reasonable attorney fees, in the event of a default.

Subd. 4. **Bail bonds greater than \$10,000.** (a) A producer is prohibited from posting a bail bond with a penal sum greater than \$10,000 unless the producer has:

(1) received at least 30 percent of the total premium owed under the surety's rate filing;

(2) provided the premium's payer with a receipt that indicates the premium paid; and

(3) if the payment in full is not made before posting the bond, obtained a promissory note from the premium payer that requires the premium payer to pay the unpaid premium in full, making at a minimum equal monthly payments, within 12 days of the date the bond is posted.

(b) A promissory note issued under paragraph (a), clause (3), must be made on a surety or bail bond agency form that has been approved by the commissioner. The maximum interest rate allowed in a promissory note under this subdivision is six percent. A promissory note may authorize collection of the actual costs incurred to collect the premium, including reasonable attorney fees, in the event of a default.

Subd. 5. **Alternative premium structure.** (a) A bail bond agency or principal may include an alternative premium structure as part of the bail bond agency or producer's surety rate filing submitted to the commissioner. The commissioner may approve the alternative premium structure's use in circumstances as provided under this subdivision.

(b) If a court sets bail at 15 percent or less of the bond's penal amount, a surety, bail bond agency, or principal may charge an alternative premium that is as low as one-half of the cash bail amount set by the court. An alternative premium charged under this subdivision is subject to the minimum premium requirement under subdivision 2.

(c) A bail bond agency or principal is required to obtain from the court documentation indicating the cash bail amount set by the court and must maintain the documentation in the bond file.

(d) A bail bond agency and producer must maintain a log of all bonds where an alternative premium was charged under this subdivision.

(e) Subdivisions 3 and 4 apply to the payment of an alternative premium structure under this subdivision.

Subd. 6. **Late payments.** If a payment, including a minimum monthly payment, that is required under a promissory note executed pursuant to subdivision 3 or 4 is more than 90 days late, the bail bond agency or producer must, within 20 days of the date a payment becomes 90 days late:

(1) for amounts owed that are \$1,000 or less, assign the debt to a Minnesota-licensed debt collector; or

(2) for amounts owed that are greater than \$1,000:

(i) file a civil action against the delinquent premium payer; and

(ii) make all reasonable efforts to: (A) serve a summons and complaint; (B) enter judgment, unless the matter is settled while the action is pending; and (C) enforce the judgment, which may be satisfied by assigning the debt to a licensed debt collector.

Subd. 7. **Form of payment.** A surety, bail bond agency, or producer must accept only cash, money orders, checks, wire transfers, electronic funds transfers, debit cards, prepaid cash cards, or credit cards as a premium payment method. Any balance owed must be evidenced by a promissory note, as provided under subdivision 3 or 4.

Subd. 8. **Payments made directly to producer; premium trust account.** (a) Unless payment was previously forwarded to the surety or bail bond agency, within five business days of the date a bond is posted or a payment is made on a promissory note, a producer must deposit payments directly to the producer into a premium trust account that the producer, bail bond agency, or surety maintains.

(b) A premium trust account must be used only for premium payments and travel or other related fees authorized under subdivision 1, paragraph (c). A producer, bail bond agency, or surety is prohibited from depositing any other money into a premium trust account.

(c) A deposit into a premium trust account must be accompanied by a deposit slip that: (1) separately designates the source of the deposit; and (2) lists the power of attorney number for the bond that the premium is being collected on.

(d) Money may be withdrawn from a producer's premium trust account only to:

(1) pay the net premium to the surety or bail bond agency;

(2) pay a surety or bail bond agency any build-up fund or escrow account required by a contract executed by the producer and the surety or bail bond agency;

(3) pay travel or other related fees authorized under subdivision 1, paragraph (c);

(4) pay the producer any fees or charges deducted electronically by credit card processing vendors, provided the fees and charges comply with section 60K.46, subdivision 2; and

(5) distribute any excess amounts to the producer's operating account.

Sec. 34. **[60M.03] COLLATERAL.**

Subdivision 1. **Collateral generally.** (a) When collateral is accepted, the producer, or a surety or bail bond agency if collateral is provided directly to the surety or bail bond agency, must provide a written, numbered receipt to the individual on whose behalf the collateral is being held. The receipt must:

(1) contain the date; depositor's name and address; bail bond agency's name and address; surety's name and address; defendant's name; bond amount; and cash amount or a detailed description of the collateral, if the collateral is not cash; and



(2) be signed by: (i) the producer, surety, or bail bond agency; and (ii) the individual on whose behalf the collateral is being held.

(b) Collateral must be reasonably cared for in a manner that complies with this section and other law.

Subd. 2. **Collateral received; transfer; control.** (a) Except as otherwise provided under paragraph (b), a producer or bail bond agency must transfer all cash and noncash collateral that the producer or bail bond agency receives to the surety.

(b) A surety may, at the surety's discretion, permit: (1) a producer to transfer all cash and noncash collateral that the producer receives to the bail bond agency; and (2) the bail bond agency to retain possession and control over the cash and noncash collateral without transferring the cash and noncash collateral to the surety. If a surety exercises the surety's discretion under this paragraph, the bail bond agency assumes the surety's responsibilities and responsibilities under this section. A producer is prohibited from retaining possession or control of cash or noncash collateral beyond the time periods established in this section.

Subd. 3. **Cash collateral trust account.** (a) All cash collateral must be deposited into a cash collateral account maintained by a surety within five business days of the date the cash collateral is received.

(b) All checks, money orders, wire transfers, or similar money transfer for collateral must be made payable to the bail bond agency and deposited into the surety's or bail bond agency's collateral account within ten business days of the date the payment was received.

(c) When required by law, a bail bond agency or producer must: (1) file an IRS Form 8300 and informational notice; and (2) retain a copy of the filed IRS Form 8300 and informational notice in the bail bond agency's or producer's files.

Subd. 4. **Separate cash collateral account.** At the surety's discretion, the surety or a bail bond agency may maintain a separate cash collateral trust account. A cash collateral trust account may be an interest-bearing account or a noninterest-bearing account. If the separate cash collateral trust account is an interest-bearing account, the interest earned is for the benefit of the individual on whose behalf the collateral is being held.

Subd. 5. **Surety liable.** The surety is liable to return any cash or noncash collateral that a producer or bail bond agency collects, even if the collected collateral is not transferred to the surety.

Subd. 6. **Prohibitions.** (a) A surety, bail bond agency, or producer is prohibited from collecting collateral in excess of the bond's penal sum.

(b) A surety, bail bond agency, or producer is prohibited from using collateral for personal benefit or gain.

(c) A surety, bail bond agency, or producer is prohibited from taking a quitclaim deed on real property as collateral for a bond.

Subd. 7. **Collateral log.** (a) A bail bond agency or producer must maintain a collateral log that includes:

(1) the power of attorney number;

(2) the defendant's name;

(3) the depositor's name;

(4) the cash collateral amount, including whether the cash collateral is being held in an interest-bearing account;

(5) if the collateral is noncash collateral, a detailed description of the collateral;

(6) the date the collateral was taken; and

(7) the dates the collateral was sent to the surety, returned to the depositor, liquidated, or applied to a loss or cost incurred by the producer, bail bond agency, or surety.

(b) For purposes of paragraph (a), an indemnity agreement does not constitute collateral and is not required to be included in the collateral log. For purposes of paragraph (a), clause (7), the amount of a loss incurred must be listed separately from other costs in the collateral log.

Subd. 8. **Mortgages and deeds of trust.** (a) A mortgage or deed of trust, if applicable for property located outside of Minnesota, taken as collateral for a bond must name the surety as a mortgagee. At the discretion of the surety, a bail bond agency may be named as the mortgagee in lieu of the surety being named as the mortgagee.

(b) A producer is prohibited from being named as a mortgagee for a mortgage or deed of trust taken as collateral for a bond.

Subd. 9. **Return of collateral.** (a) A surety or bail bond agency that controls the collateral must return cash and noncash collateral to the depositor named in the collateral receipt within 21 days of the date the depositor provides the surety or bail bond agency with written proof that the bond has been discharged.

(b) If the depositor owes the surety, bail bond agency, or producer a premium; is liable for a loss or expense related to a breach of the bond; or is liable pursuant to the terms of an indemnity or other agreement, the surety or bail bond agency may retain from the collateral all money required to satisfy the depositor's debts.

(c) If all of the depositor's debts secured by collateral are satisfied, the surety or bail bond agency must file documentation to release any liens, security interests, mortgages, or other security interests that were filed or obtained in relation to the collateral. The documentation must be filed within 21 days of the date the depositor provides the surety or bail bond agency with written proof that the bond has been discharged.

Subd. 10. **Bond or indemnity agreement; breach.** If a bond or indemnity agreement is breached and the surety, bail bond agency, or producer suffers a loss, the surety or bail bond agency that controls the collateral must send to the depositor written notice that notifies the depositor that the

surety or bail bond agency intends to liquidate noncash collateral. The written notice must be sent by certified mail to the depositor's last known address at least 30 days before the date the surety or bail bond agency liquidates the noncash collateral.

Subd. 11. **Compliance with Minnesota law.** Any action taken to enforce or foreclose on cash or noncash collateral must comply with Minnesota law.

Subd. 12. **Collateral documentation; audit and inspection.** (a) All collateral and related documentation held in trust by the surety or bail bond agency must be made available for immediate audit and inspection by the department.

(b) All collateral and related documentation held in trust by the bail bond agency must be made available for immediate audit and inspection by the surety.

Sec. 35. **[60M.04] PRODUCER AUDITS.**

Subdivision 1. **Premium audits.** (a) By April 30 each year, a surety must audit each licensed bail bond producer's bonds written during the previous calendar year to ensure the licensed bail bond producer has complied with this subdivision.

(b) The premium audits must include a review of an adequate sample of bonds written by each bail bond producer. A review sample is adequate if it consists of the lesser of: (1) 20 percent of the bonds written by the bail bond producer; (2) 24 bonds; or (3) all of the bonds written by the bail bond producer, if the bail bond producer wrote fewer than 12 bonds during the previous calendar year. The audit sample must include the four largest bonds written by the bail bond producer and four bonds that charged an alternative premium under section 60M.02, subdivision 5, if applicable. Of the remaining bonds audited and to the extent the quantity of bonds supports the percentages, 50 percent must be randomly selected bonds with a penal sum that is \$10,000 or less, and 50 percent must be randomly selected bonds with a penal sum that is greater than \$50,000.

(c) The premium audit must be conducted at the producer's office or the bail bond agency's office, depending on which entity maintains the physical records. The surety must not disclose to the producer or bail bond agency, or anyone affiliated with the surety or bail bond agency, which files the surety intends to audit until the surety's on-site audit of the producer begins.

(d) For each bond audited, the surety must confirm that:

(1) the proper premium was charged and collected, including a review of the premium account statements and deposit slips;

(2) a proper premium receipt is in the producer's file;

(3) if the full premium was not paid before the bond was posted, a proper promissory note was executed;

(4) if the premium was not paid as required, a lawsuit was filed; and

(5) all reasonable efforts were made to: (i) serve the summons and complaint; (ii) enter judgment, unless the matter was settled while the action was pending; and (iii) enforce the judgment.

(e) An annual premium audit under this section must also include a follow-up review of each bond audited the previous year for which full premium had not yet been collected at the time the audit occurred. For each bond subject to a follow-up review, the surety must: (1) review the premium account and deposit slips to confirm that the full premium was collected; or (2) if full payment of the premium was not received, confirm that: (i) the required action was filed; (ii) all reasonable efforts were made to enter judgment, unless the matter was settled while the action was pending; and (iii) all reasonable efforts were made to enforce the judgment.

Subd. 2. **Collateral audits.** (a) By April 30 each year, a surety must audit each licensed bail bond producer's bonds written during the previous calendar year to ensure the licensed bail bond producer has complied with this subdivision.

(b) A collateral audit under this subdivision must include confirmation that:

(1) a collateral log was maintained;

(2) a cash collateral account exists;

(3) the balance of the cash collateral indicated on the collateral log is identical to the amount held in the collateral trust account; and

(4) a collateral receipt exists for collateral collected, as represented by a sampling of the lesser of: (i) 20 percent of all bonds secured by collateral; or (ii) 12 bonds that were secured by collateral.

Subd. 3. **Audits report.** (a) By May 31 each year, a surety must prepare a report of the audits conducted under this section during that year. The report must include:

(1) a list of the bonds audited under subdivision 1 for each producer, including the power of attorney number used for each audited bond and whether full premium payment was made by the date the audit occurred;

(2) a list of the bonds included in a follow-up review of the previous year's audit, including whether full premium payment was collected by the date the audit occurred;

(3) the compliance certifications required under section 60M.07, subdivision 4; and

(4) details regarding any violations discovered during the audit or a statement that no violations were discovered, as applicable.

(b) The annual report under this subdivision must be maintained for a period of at least 36 months from the date the report is complete. Annual reports must be submitted to the commissioner by June 30 each year.

**Sec. 36. [60M.05] SOLICITATION.**

Subdivision 1. **Solicitation generally.** (a) A producer is prohibited from, in or on the grounds of a jail, prison, or other location where an incarcerated person is confined, or in or on the grounds of a court:

(1) approaching, enticing, inviting, or soliciting a person to use a bail bondsman's services;

(2) distributing, displaying, or wearing an item that advertises a bail bondsman's services; or

(3) otherwise soliciting business as a bail bondsman.

(b) Notwithstanding paragraph (a), clause (3), permissible print advertising in a jail is limited to:

(1) a listing in a telephone directory; and

(2) posting the producer's or bail bond agency's name, address, and telephone number in a designated location within the jail, as approved by the jail.

Subd. 2. **Identification; marketing material.** A producer is prohibited from wearing or displaying any information, other than identification approved by the surety or bail bond agency, which constitutes marketing material that a surety or bail bond agency must approve and maintain under Minnesota Rules, chapter 2790. A producer is prohibited from displaying any information constituting marketing material in or on the property or grounds of: (1) a jail, prison, or other location where incarcerated people are confined; or (2) a court.

Subd. 3. **Other prohibited conduct.** (a) A producer is prohibited from loitering in or about the courthouse, jail, or any other place where individuals are held in custody.

(b) A producer is prohibited from making unauthorized and unsolicited cold calls without having first spoken with or having a connection to a criminal defendant.

(c) A producer or bail bond agency is prohibited from initiating in-person or telephone solicitation before 8:00 a.m. or after 9:00 p.m.

(d) A producer is prohibited from soliciting a bond to a person by recorded or electronic communication, or by live telephone contact, unless the producer otherwise complies with applicable state and federal law, including but not limited to:

(1) the National Do Not Call Registry under Code of Federal Regulations, title 16, part 310; and

(2) the Telephone Consumer Protection Act of 1991, Code of Federal Regulations, title 47, part 64.1200.

(e) A surety, bail bond agency, or producer is prohibited from obtaining a credit check on a person unless the person has authorized the surety, bail bond agency, or producer to do so in writing. The surety, bail bond agency, or producer must retain the written authorization provided by the person subject to the credit check.

Subd. 4. **Compliance with other law.** (a) A surety, bail bond agency, and producer must comply with all federal and state privacy laws related to information provided to a producer during the application process and during bond underwriting by a bond principal, indemnitor, or other person.

(b) A surety, bail bond agency, and producer must comply with sections 60K.46, subdivision 6; 72A.494; 72A.496, subdivision 1; 72A.501; and 72A.502, subdivision 1.

(c) A surety, bail bond agency, and producer must receive preauthorization before collecting and disclosing personal or privileged information about an applicant or proposed insured, and must provide all notices otherwise required by Minnesota law.

(d) A surety, bail bond agency, and producer must otherwise comply with all applicable Minnesota law.

Subd. 5. **Insurance transaction.** The act of soliciting, underwriting, negotiating, or selling a bail bond constitutes an insurance transaction.

Sec. 37. **[60M.06] UNLICENSED INDIVIDUALS; NO REBATES OR PAYMENT.**

(a) A surety, bail bond agency, or producer is prohibited from paying a fee or commission, or otherwise giving or promising anything of value, to: (1) a jailer, police officer, peace officer, or any other person who has the power to arrest or hold an individual in custody; or (2) a judge, public official, or public employee.

(b) A surety, bail bond agency, or producer is prohibited from paying a fee or rebate, or otherwise giving or promising anything of value, to the individual seeking the producer's services or the individual seeking the producer's services on another individual's behalf.

(c) A surety, bail bond agency, or producer is prohibited from paying a fee or commission, or otherwise giving or promising anything of value, to a person for selling, soliciting, or negotiating a bail bond if the person is not properly licensed as a producer.

(d) A surety, bail bond agency, or producer is prohibited from paying a fee, rebate, or commission, or otherwise giving or promising anything of value, to an inmate for referring business or for any other reason related to soliciting, negotiating, or selling a bail bond.

Sec. 38. **[60M.07] OTHER PROVISIONS.**

Subdivision 1. **Compliance with standards of conduct.** A producer must comply with the Minnesota Court Administrator's Office's bail bond procedures and standards of conduct, including but not limited to while in or on the property of courts, jails, or other detention facilities in Minnesota. A surety or bail bond agency must require the surety or bail bond agency's producers to affirm that the producer complies with any changes to the bail bond procedures and standards of conduct as the changes are posted to the Minnesota state court website or the Minnesota Court Administrator's Office's website.

Subd. 2. **No waiver.** A producer is prohibited from soliciting or accepting a waiver of any requirement under this chapter.

Subd. 3. **Record maintenance.** (a) A bail bond agency and producer must maintain the following records on each bond for at least seven years after the date the bond is terminated:

- (1) power of attorney;
- (2) premium receipts;
- (3) the promissory note for unpaid premium, if any;

(4) the cash bond amount set by the court, if an amount less than the filed rate is accepted for the premium;

(5) all documents related to any lawsuit filed to collect the premium;

(6) indemnity agreements;

(7) collateral receipts, if any;

(8) proof that collateral was returned, if any;

(9) proof of bond exoneration or forfeiture payment;

(10) all records relating to liquidating and converting collateral, including fees or costs; and

(11) proof of any expenses incurred or losses paid by the surety, bail bond agency, or producer.

(b) A bail bond agency and producer must maintain all premium account, collateral account, and operating account bank records, including deposit slips, for at least seven years after the records are made available.

(c) All records that a bail bond agency or producer maintain under this chapter must be kept in the bail bond agency or producer's office, as applicable. If a bail bond agency or producer's relationship with a surety is terminated, the information and documentation must be immediately transferred to:

(1) the bail bond agency, if the producer is terminated; or

(2) the surety, if the bail bond agency is terminated.

(d) A bail bond agency and producer's records must be available for the commissioner or the surety to inspect, with or without notice.

Subd. 4. **Compliance certification.** (a) During the surety's annual audit of a producer, the producer must sign a compliance certification form that attests to the producer's compliance with this chapter during the previous calendar year.

(b) Before a producer is appointed by a surety and at each license renewal thereafter, a producer must sign an affidavit of compliance form in which the producer acknowledges the producer is familiar and continually complies with the requirements under this chapter. The surety must retain completed affidavits and send requested affidavits to the commissioner within ten days of the date an affidavit is requested.

(c) The commissioner must establish the compliance certification and affidavit of compliance forms for use under this subdivision.

Subd. 5. **Producer termination; notice.** (a) If a producer's relationship with a surety is voluntarily or involuntarily terminated due to a violation of this chapter or because the surety determined the producer violated this chapter during an annual audit, the surety must, within 30 days of the date

the producer is terminated, provide the commissioner with the terminated producer's name and the reason the producer was terminated.

(b) Another surety is prohibited from appointing a producer subject to a termination under paragraph (a) unless the department approves the appointment.

Sec. 39. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

**80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL CORPORATE OFFERING REGISTRATION.**

**(a) Federal covered securities.**

(1) **Required filing of records.** With respect to a federal covered security, as defined in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued under this chapter may require the filing of any or all of the following records:

(A) before the initial offer of a federal covered security in this state, all records that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 and a consent to service of process complying with section 80A.88 signed by the issuer;

(B) after the initial offer of the federal covered security in this state, all records that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933; and

(C) to the extent necessary or appropriate to compute fees, a report of the value of the federal covered securities sold or offered to persons present in this state, if the sales data are not included in records filed with the Securities and Exchange Commission.

(2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is effective for one year commencing on the later of the notice filing or the effectiveness of the offering filed with the Securities and Exchange Commission. On or before expiration, the issuer may renew a notice filing by filing a copy of those records filed by the issuer with the Securities and Exchange Commission that are required by rule or order under this chapter to be filed. A previously filed consent to service of process complying with section 80A.88 may be incorporated by reference in a renewal. A renewed notice filing becomes effective upon the expiration of the filing being renewed.

(3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With respect to a security that is a federal covered security under Section 18(b)(4)(D) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may require a notice filing by or on behalf of an issuer to include a copy of Form D, including the Appendix, as promulgated by the Securities and Exchange Commission, and a consent to service of process complying with section 80A.88 signed by the issuer not later than 15 days after the first sale of the federal covered security in this state.

(4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is a failure to comply



with a notice or fee requirement of this section, the administrator may issue a stop order suspending the offer and sale of a federal covered security in this state. If the deficiency is corrected, the stop order is void as of the time of its issuance and no penalty may be imposed by the administrator.

**(b) Small corporation offering registration.**

(1) **Registration required.** A security meeting the conditions set forth in this section may be registered as set forth in this section.

(2) **Availability.** Registration under this section is available only to the issuer of securities and not to an affiliate of the issuer or to any other person for resale of the issuer's securities. The issuer must be organized under the laws of one of the states or possessions of the United States. The securities offered must be exempt from registration under the Securities Act of 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

(3) **Disqualification.** Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934;

(B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

(v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,

(I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and

(II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

**(4) Filing and effectiveness of registration statement.** A small corporate offering registration statement must be filed with the administrator. If no stop order is in effect and no proceeding is pending under section 80A.54, such registration statement shall become effective automatically at the close of business on the 20th day after filing of the registration statement or the last amendment of the registration statement or at such earlier time as the administrator may designate by rule or order. For the purposes of a nonissuer transaction, other than by an affiliate of the issuer, all outstanding securities of the same class identified in the small corporate offering registration statement as a security registered under this chapter are considered to be registered while the small corporate offering registration statement is effective. A small corporate offering registration statement is effective for one year after its effective date or for any longer period designated in an order under this chapter. A small corporate offering registration statement may be withdrawn only with the approval of the administrator.

**(5) Contents of registration statement.** A small corporate offering registration statement under this section shall be on Form U-7, including exhibits required by the instructions thereto, as adopted by the North American Securities Administrators Association, or such alternative form as may be designated by the administrator by rule or order and must include:

(A) a consent to service of process complying with section 80A.88;

(B) a statement of the type and amount of securities to be offered and the amount of securities to be offered in this state;

(C) a specimen or copy of the security being registered, unless the security is uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial equivalents in effect, and a copy of any indenture or other instrument covering the security to be registered;

(D) a signed or conformed copy of an opinion of counsel concerning the legality of the securities being registered which states whether the securities, when sold, will be validly issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

(E) the states (i) in which the securities are proposed to be offered; (ii) in which a registration statement or similar filing has been made in connection with the offering including information as to effectiveness of each such filing; and (iii) in which a stop order or similar proceeding has been entered or in which proceedings or actions seeking such an order are pending;

(F) a copy of the offering document proposed to be delivered to offerees; and

(G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales literature intended as of the effective date to be used in connection with the offering and any solicitation of interest used in compliance with section 80A.46(17)(B).

(6) **Copy to purchaser.** A copy of the offering document as filed with the administrator must be delivered to each person purchasing the securities prior to sale of the securities to such person.

(c) **Offering limit.** Offers and sales of securities under a small corporate offering registration as set forth in this section are allowed up to the limit prescribed by Code of Federal Regulations, title 17, part 230.504 (b)(2), as amended.

**(d) Regulation A - Tier 2 filing requirements.**

**(1) Initial filing.** An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

**(A)** a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

**(B)** a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

**The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.**

**(2) Renewal.** For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

**(3) Amendment.** An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

Sec. 40. Minnesota Statutes 2022, section 80A.61, is amended to read:

**80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.**

(a) **Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

(b) **Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(d) **Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.

(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) **Application for investment adviser representative registration.**

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5 with the IARD.

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

Sec. 41. Minnesota Statutes 2022, section 80A.66, is amended to read:

**80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

**(d) Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different

reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least \$25,000, but not to exceed \$100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization.

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

Sec. 42. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the commissioner finds that the applicant has failed to demonstrate that adequate financial arrangements have been made to fulfill obligations to provide real estate, improvements, equipment, inventory, training or other items included in the offering, the commissioner may by rule or order require the escrow ~~or, impoundment, or deferral~~ of franchise fees and other funds paid by the franchisee or subfranchisor until no later than the time of opening of the franchise business.

Sec. 43. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

Subd. 26. **Standards of professional practice.** "Standards of professional practice" means the version of the uniform standards of professional appraisal practice of the Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January 1, 1991, or other version of these standards the commissioner may by order designate on the date the appraiser signs the appraisal report.

Sec. 44. Minnesota Statutes 2022, section 82B.094, is amended to read:

#### **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

(a) A certified residential real property appraiser or a certified general real property appraiser, in good standing, may engage a trainee real property appraiser to assist in the performance of real estate appraisals, provided that the certified residential real property appraiser or a certified general real property appraiser:

(1) has been licensed in good standing as either a certified residential real property appraiser or a certified general real property appraiser for the three-year period immediately preceding the individual's application to become a supervisor;

(2) has completed a ~~six-hour~~ course, approved in advance by the commissioner and provided by an education provider approved by the commissioner, that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this section must be given the course title "Minnesota Supervisor/Trainee Appraiser Course";~~

(3) has not been the subject of any license or certificate suspension or revocation or has not been prohibited from supervising activities in this state or any other state within the three years immediately preceding the individual's application to become a supervisor;

(4) has no more than three trainee real property appraisers working under supervision at any one time;



(5) actively and personally supervises the trainee real property appraiser, which includes ensuring that research of general and specific data has been adequately conducted and properly reported, application of appraisal principles and methodologies has been properly applied, that the analysis is sound and adequately reported, and that any analyses, opinions, or conclusions are adequately developed and reported so that the appraisal report is not misleading;

(6) discusses with the trainee real property appraiser any necessary and appropriate changes that are made to a report, involving any trainee appraiser, before it is transmitted to the client. Changes not discussed with the trainee real property appraiser that are made by the supervising appraiser must be provided in writing to the trainee real property appraiser upon completion of the appraisal report;

(7) accompanies the trainee real property appraiser on the inspections of the subject properties and drive-by inspections of the comparable sales on all appraisal assignments for which the trainee will perform work until the trainee appraiser is determined to be competent, in accordance with the competency rule of USPAP for the property type;

(8) accepts full responsibility for the appraisal report by signing and certifying that the report complies with USPAP; and

(9) reviews and signs the trainee real property appraiser's appraisal report or reports or if the trainee appraiser is not signing the report, states in the appraisal the name of the trainee and scope of the trainee's significant contribution to the report.

(b) The supervising appraiser must review and sign the applicable experience log required to be kept by the trainee real property appraiser.

(c) The supervising appraiser must notify the commissioner within ten days when the supervision of a trainee real property appraiser has terminated or when the trainee appraiser is no longer under the supervision of the supervising appraiser.

(d) The supervising appraiser must maintain a separate work file for each appraisal assignment.

(e) The supervising appraiser must verify that any trainee real property appraiser that is subject to supervision is properly licensed and in good standing with the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 45. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 46. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this subdivision must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This~~ The course under this subdivision must not be counted toward qualifying education to upgrade to a higher level appraiser license.

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 47. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven-hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15-hour USPAP course cannot be used to satisfy the requirement to complete the seven-hour national USPAP update course every two years.~~

**EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 48. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within ~~60~~ 90 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 49. **RULEMAKING.**

The commissioner of commerce must adopt rules to conform with the changes made in Minnesota Statutes, sections 80A.66 and 80C.05 with respect to investment advisor registration continuing education and franchise fees deferral, respectively. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 50. **RULEMAKING.**

The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply with the changes made in this act. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 51. **REPEALER.**

(a) Minnesota Statutes 2022, sections 45.014; and 58.08, subdivision 3, are repealed.

(b) Minnesota Statutes 2022, section 82B.25, is repealed.

(c) Minnesota Statutes 2023 Supplement, section 53B.58, is repealed.

**EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2026.

Sec. 52. **EFFECTIVE DATE.**

Sections 1 and 2 are effective August 1, 2024, and apply to loans executed on or after that date.

### ARTICLE 3

#### COMMERCIAL REGULATION AND CONSUMER PROTECTION

Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A, 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78; 471.617; ~~and 471.982;~~<sub>2</sub> and 513.80, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of a string of characters that act as a record of and provides proof that the transaction was verified and added to the blockchain.

Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 96 hours. After the 96-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer is considered an existing customer and no longer subject to the new customer transaction limit described in this act.

Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 96-hour period. A new customer automatically converts to an existing customer after the 96-hour period has elapsed. An existing customer is subject to the transaction limits described in this act.

Sec. 5. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric identifier representing a destination for a virtual currency transfer that is associated with a virtual currency wallet.

Sec. 6. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent of the virtual currency kiosk operator to enable the operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 7. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software application or other mechanism providing a means for holding, storing, and transferring virtual currency.

Sec. 8. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 12. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a corporation, limited liability company, limited liability partnership, foreign entity, or any other person or entity qualified to do business in the state of Minnesota and that operates a virtual currency kiosk within the state of Minnesota.

Sec. 9. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 13. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction" means a transaction conducted or performed, in whole or in part, by electronic means via a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency for fiat currency.

Sec. 10. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in clear, conspicuous, and legibly written English all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, is not backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for the virtual currency disappears;

(4) there is no assurance that a person who accepts virtual currency as payment today will do so in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) virtual currency transactions are irreversible and are used by scammers, including those impersonating loved ones, threatening jail time, stating your identity is stolen, and insisting you withdraw money from your bank account and purchase cryptocurrency;

(7) the nature of virtual currency means that any technological difficulties experienced by the virtual currency kiosk operator may prevent access to or use of a person's virtual currency; and

(8) any bond maintained by the licensee for the benefit of a person may not cover all losses the persons incur.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the operator and virtual

currency. A virtual currency kiosk operator must make the disclosures in clear, conspicuous, and legibly written English, displayed on a separate screen from other disclosures and information, in bold-face sans serif font in a size in line with other texts displayed. These disclosures must address at least the following:

- (1) the person's liability for unauthorized virtual currency transactions;
- (2) the person's right to:
  - (i) stop payment of a virtual currency transfer and the procedure to stop the payment;
  - (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of transaction;
- and
- (iii) prior notice of a change in the rules or policies of the operator;
- (3) under what circumstances the operator will, without a court or government order, disclose a person's account information to third parties; and
- (4) other disclosures that are customarily provided in connection with the opening of a person's account.

(b) Before each virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose the transaction's terms and conditions in clear, conspicuous, and legibly written English, displayed on a separate screen from other disclosures and information, in bold-face sans serif font in a size in line with other texts displayed. These disclosures must address at least the following:

- (1) the amount of the transaction;
- (2) any fees, expenses, and charges, including applicable exchange rates;
- (3) the type and nature of the transaction;
- (4) a warning that, once completed, the transaction may not be undone;
- (5) a daily virtual currency transaction limit of no more than \$2,000 for new customers;
- (6) the difference in the virtual currency's sale price versus the current market price; and
- (7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. **Acknowledgment of disclosures.** Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency operator must provide a person with a physical receipt, or a virtual receipt sent to their email address or SMS number, containing the following information:

(1) the operator's name and contact information, including a telephone number to answer questions and register complaints;

(2) the type, value, date, and precise time of the transaction, transactional hash, and each virtual currency address;

(3) the fees charged;

(4) the exchange rate;

(5) a statement of the operator's liability for nondelivery or delayed delivery;

(6) a statement of the operator's refund policy; and

(7) any additional information the commissioner of commerce may require.

Subd. 4. **New customer hold.** The first transaction of a new customer must be subject to a 48-hour holding period in which the customer may reverse and cancel their transaction for a full refund.

Subd. 5. **Transaction limits.** (a) There is an established maximum daily transaction limit of \$2,000 for each new customer of a virtual currency kiosk.

(b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.

Sec. 11. Minnesota Statutes 2022, section 58B.02, subdivision 8, is amended to read:

Subd. 8. **Student loan.** "Student loan" means a government, commercial, or foundation ~~loan~~ extension of credit for actual costs paid for tuition and reasonable education and living expenses.

Sec. 12. Minnesota Statutes 2022, section 58B.02, is amended by adding a subdivision to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include, to the extent that state regulation is preempted by federal law:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union; or

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union.

Sec. 13. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to read:

Subd. 10. **Annual report.** (a) Beginning March 15, 2025, a student loan servicer that secures, makes, or extends student loans in Minnesota must report to the commissioner on the form the commissioner provides:

(1) a list of all schools attended by borrowers who received a student loan from the student loan servicer and resided within Minnesota at the time of the transaction and whose debt is still outstanding, including student loans used to refinance an existing debt;

(2) the total outstanding dollar amount owed by borrowers residing in Minnesota who received student loans from the student loan servicer;

(3) the total number of student loans owed by borrowers residing in Minnesota who received student loans from the student loan servicer;

(4) the total outstanding dollar amount and number of student loans owed by borrowers who reside in Minnesota, associated with each school identified under clause (1);

(5) the total dollar amount of student loans provided by the student loan servicer to borrowers who resided in Minnesota in the prior calendar year;

(6) the total outstanding dollar amount and number of student loans owed by borrowers who resided in Minnesota, associated with each school identified under clause (1), that were provided in the prior calendar year;

(7) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan servicer, if applicable;

(8) the rate of default for borrowers residing in Minnesota who obtained student loans from the student loan servicer associated with each school identified under clause (1), if applicable;

(9) the range of initial interest rates for student loans provided by the student loan servicer to borrowers who resided in Minnesota in the prior calendar year;

(10) the total number of borrowers who received student loans under clause (9), and the percentage of borrowers who received each rate identified under clause (9);

(11) the total dollar amount and number of student loans provided in the prior calendar year by the student loan servicer to borrowers who resided in Minnesota at the time of the transaction and had a cosigner for the student loans;

(12) the total dollar amount and number of student loans provided by the student loan servicer to borrowers residing in Minnesota used to refinance a prior student loan or federal student loan in the prior calendar year;

(13) the total dollar amount and number of student loans for which the student loan servicer had sued to collect from a borrower residing in Minnesota in the prior calendar year;

(14) a copy of any model promissory note, agreement, contract, or other instrument used by the student loan servicer in the previous year to substantiate that a borrower owes a new debt to the student loan servicer; and

(15) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.



(b) A student loan servicer that acquires or assumes student loans in Minnesota must report to the commissioner on the form the commissioner provides:

(1) a list of all schools attended by borrowers residing in Minnesota who used, for attendance, any outstanding student loans assumed or acquired by the student loan servicer;

(2) the total outstanding dollar amount and number of student loans that have been acquired or assumed by the student loan servicer and owed by borrowers who reside in Minnesota;

(3) the total outstanding dollar amount and number of student loans owed by borrowers who reside in Minnesota that have been assumed or acquired by the student loan servicer, associated with each school identified under clause (1);

(4) the total dollar amount and number of student loans owed by borrowers who resided in Minnesota that were acquired or assumed by the student loan servicer in the prior calendar year;

(5) the total dollar amount and number of student loans that were acquired or assumed by the student loan servicer and owed by borrowers who resided in Minnesota in the prior year, associated with each school identified under clause (1);

(6) the rate of default for student loans acquired or assumed by the student loan servicer, if applicable;

(7) the rate of default for student loans acquired or assumed by the student loan servicer associated with each school identified under clause (1), if applicable;

(8) the total outstanding dollar amount and number of student loans owed by borrowers residing in Minnesota who had a cosigner for the student loans, if applicable;

(9) the total outstanding dollar amount and number of student loans that were acquired or assumed by the student loan servicer and owed by borrowers residing in Minnesota to refinance a prior student loan or federal student loan;

(10) the total dollar amount and number of student loans for which the student loan servicer had sued to collect from borrowers residing in Minnesota in the prior calendar year; and

(11) any other information considered necessary by the commissioner to assess the total size and status of the student loan market and well-being of borrowers in Minnesota.

(c) The commissioner of commerce shall share data collected under this subdivision with the commissioner of higher education.

Sec. 14. **[58B.051] REGISTRATION FOR LENDERS.**

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

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

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

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

(5) any other information as determined by the commissioner.

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

(d) The commissioner may adopt and enforce:

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

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

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

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

Sec. 15. Minnesota Statutes 2022, section 58B.06, subdivision 4, is amended to read:

Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must:

(1) require the new student loan servicer to honor all benefits that were made available, or which may have become available, to a borrower from the original student loan servicer or is authorized under the student loan contract, including any benefits for which the student loan borrower has not yet qualified unless that benefit is no longer available under the federal or state laws and regulations; and

(2) transfer to the new student loan servicer all information regarding the borrower, the account of the borrower, and the borrower's student loan, including but not limited to the repayment status of the student loan and the benefits described in clause (1).

(b) The student loan servicer must complete the transfer under paragraph (a), clause (2), less than 45 days from the date of the sale, assignment, or transfer of the servicing.

(c) A sale, assignment, or transfer of the servicing must be completed no less than seven days from the date the next payment is due on the student loan.

(d) A new student loan servicer must adopt policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a).

Sec. 16. Minnesota Statutes 2022, section 58B.06, subdivision 5, is amended to read:

Subd. 5. **Income-driven repayment.** (a) A student loan servicer must evaluate a borrower for eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

(b) A student loan servicer must provide the following information on the student loan servicer's website:

(1) a description of any income-driven repayment programs available under the student loan contract or federal or state laws and regulations; and

(2) information on the policies and procedures the student loan servicer implements to facilitate the evaluation of student loan income-driven repayment program requests, including accurate information regarding any options that may be available to the borrower through the promissory note or that may have been marketed to the borrower through marketing materials.

Sec. 17. Minnesota Statutes 2022, section 58B.07, subdivision 1, is amended to read:

Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or indirectly employ any scheme, device, or artifice to attempt to defraud or mislead a borrower.

Sec. 18. Minnesota Statutes 2022, section 58B.07, subdivision 3, is amended to read:

Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or negligently misapply student loan payments to the outstanding balance of a student loan.

Sec. 19. Minnesota Statutes 2022, section 58B.07, subdivision 9, is amended to read:

Subd. 9. **Incorrect information regarding student loan forgiveness loans.** (a) A student loan servicer must not misrepresent the availability of student loan forgiveness for which the servicer has reason to know the borrower is eligible. This includes but is not limited to student loan forgiveness programs specific to military borrowers, borrowers working in public service, or borrowers with disabilities.

(b) A student loan servicer must not provide incorrect information related to forbearance. If a student loan servicer suggests placing a borrower in forbearance in lieu of a repayment program that would result in savings to the borrower and the borrower relies on this information, the student loan servicer shall be subject to the penalties provided under section 58B.09.

Sec. 20. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 11. **Property.** A student loan servicer must not obtain property by fraud or misrepresentation.

Sec. 21. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 12. **Customer service.** A student loan servicer must not allow a borrower to remain on hold during an individual call for more than two hours unless the student loan servicer returns the borrower's phone call within 24 hours of the two hours expiring. A student loan servicer must not allow a call on hold to automatically lapse or end upon reaching a duration of two hours to satisfy this requirement.

Sec. 22. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 13. **Abusive acts or practices.** A student loan servicer must not engage in abusive acts or practices when servicing a student loan in this state. An act or practice is abusive in connection with the servicing of a student loan if that act or practice:

(1) materially interferes with the ability of a borrower to understand a term or condition of a student loan; or

(2) takes unreasonable advantage of any of the following:

(i) a lack of understanding on the part of a borrower of the material risks, costs, or conditions of the student loan;

(ii) the inability of a borrower to protect the interests of the borrower when selecting or using a student loan or feature, term, or condition of a student loan; or

(iii) the reasonable reliance by the borrower on a student loan servicer to act in the interests of the borrower.

Sec. 23. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to read:

Subd. 14. **Violations.** A violation of this section is an unlawful practice under section 325D.44.

Sec. 24. Minnesota Statutes 2022, section 58B.09, is amended by adding a subdivision to read:

Subd. 4. **Private right of action.** (a) A borrower who suffers damage as a result of the failure of a student loan servicer to comply with this chapter may bring an action on a borrower's own behalf and on behalf of a similarly situated class of persons against that student loan servicer to recover or obtain:

(1) actual damages, except that the total award of damages must be at least \$500 per plaintiff, per violation;

(2) an order enjoining the methods, acts, or practices;

(3) restitution of property;

(4) punitive damages;

(5) reasonable attorney fees; and

(6) any other relief that the court deems proper.

(b) In addition to any other remedies provided by this subdivision or otherwise provided by law, if a student loan servicer is shown, by a preponderance of the evidence, to have engaged in conduct that substantially interferes with a borrower's right to an alternative payment arrangement; loan forgiveness, cancellation, or discharge; or any other financial benefit established under the terms of a borrower's promissory note or under the Higher Education Act of 1965, United States Code, title 20, section 1070a, et seq., a borrower is entitled to damages of at least \$1,500 per plaintiff, per violation.

(c) At least 45 days before bringing an action for damages or injunctive relief under this chapter, a borrower must:

(1) provide written notice to the student loan servicer alleged to have violated this chapter regarding the nature of the alleged violations; and

(2) demand that the student loan servicer correct and remedy the method, act, or practice identified in the notice under clause (1).

(d) The notice required by this subdivision must be sent by certified or registered mail, return receipt requested, to the student loan servicer's address on file with the Department of Commerce or to the student loan servicer's principal place of business in Minnesota.

(e) An action for damages or injunctive relief brought by a borrower only on the individual borrower's behalf must not be maintained under paragraph (a) upon a showing by a student loan servicer that an appropriate correction and remedy is given, or is agreed to be given within a reasonable time, to the borrower within 30 days after the notice is received.

(f) An action for damages brought by a borrower on both the borrower's behalf and on behalf of a similarly situated class of persons must not be maintained under paragraph (a) upon a showing by a student loan servicer alleged to have employed or committed a method, act, or practice declared unlawful if:

(1) all borrowers similarly situated have been identified or a reasonable effort to identify other borrowers has been made;

(2) all borrowers identified have been notified that, upon the borrower's request, the student loan servicer must make the appropriate correction and remedy;

(3) the correction and remedy requested by the borrower has been given or is given within a reasonable amount of time; and

(4) the student loan servicer has ceased from engaging, or if immediate cessation is impossible or unreasonably expensive under the circumstances, the student loan servicer ceases to engage within a reasonable amount of time, in the method, act, or practice.

(g) An attempt to comply with a demand described in paragraph (c) by a student loan servicer that receives the demand is construed as an offer to compromise and is inadmissible as evidence under Minnesota Rules of Evidence, rule 408. An attempt to comply with a demand is not an admission of engaging in an act or practice declared unlawful by paragraph (a). Evidence of

compliance or attempts to comply with this section may be introduced by a defendant to establish good faith or to show compliance with paragraph (a).

(h) An award of damages must not be given in an action based on a method, act, or practice in violation of paragraph (a) if the student loan servicer alleged to have employed or committed that method, act, or practice:

(1) proves by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the use of reasonable procedures adopted to avoid that error; and

(2) makes an appropriate correction, repair, replacement, or other remedy under paragraphs (e) and (f).

(i) The commissioner must administer and enforce this section and must adopt rules and issue orders consistent with the authority under this section.

**Sec. 25. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES; COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

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

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

(c) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

(d) "Assessable loss" means a covered loss under the terms of the policy applicable under subdivision 2, paragraphs (a) and (b).

Subd. 2. **Loss assessment.** (a) If a loss assessment is charged by an association to an individual unit owner the insurance policy in force at the time of the assessable loss must pay the loss assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the assessable loss is the owner of the property listed on the policy at the time the loss assessment is charged;

(2) if the insurance policy in force at the time of the assessable loss provides loss assessment coverage; and

(3) a loss assessment and the event or occurrence which triggers a loss assessment shall be considered a single loss for underwriting and rating purposes.

(b) If a loss assessment is charged by an association to an individual unit owner the insurance policy in force at the time the loss assessment is charged must pay the assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

(1) the unit owner at the time of the loss assessment is charged is different than the unit owner at the time of the assessable loss; and

(2) the insurance policy in force at the time the loss assessment is charged provides loss assessment coverage.

(c) For a loss assessment under paragraph (b), an insurer may require evidence documenting that the transfer of ownership occurred prior to the assessment before the insurer affords coverage.

Sec. 26. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 ~~and~~ 16, and 17.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 27. Minnesota Statutes 2022, section 239.791, is amended by adding a subdivision to read:

Subd. 17. **Bulk delivery of premium grade gasoline; exemption.** (a) A person responsible for the product may offer for sale, sell, or deliver a bulk delivery of unleaded premium grade gasoline, as defined in section 239.751, subdivision 4, that is not oxygenated in accordance with subdivision 1 if the conditions in paragraphs (b) to (d) are met.

(b) Nonoxygenated gas is only for use in vehicles that qualify for an exemption under subdivision 12, paragraph (a).

(c) No more than one bulk fuel storage tank on the premises may be used for storage of the nonoxygenated gasoline.

(d) The bulk fuel delivery is 500 gallons or less.

Sec. 28. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended to read:

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

(b) "Essential consumer good or service" means a good or service that is vital and necessary for the health, safety, and welfare of the public, including without limitation: food; water; fuel; gasoline; shelter; construction materials; transportation; health care services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

(c) "Restoration and mitigation services provider" means a person or business that provides a service to prevent further damage to property following a fire, smoke, water, or storm event. Services include but are not limited to boarding up property, water extraction, drying, smoke or odor removal, cleaning, and personal property inventory, removal, and storage.

(d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of goods and services.

(e) "Tree trimmer" means a person registered under section 18G.07.

~~(d)~~ (f) "Unconscionably excessive price" means a price that represents a gross disparity compared to the seller's average price of an essential good or service, offered for sale or sold in the usual course of business, in the 60-day period before an abnormal market disruption is declared under subdivision 2. None of the following is an unconscionably excessive price:

(1) a price that is substantially related to an increase in the cost of manufacturing, obtaining, replacing, providing, or selling a good or service;

(2) a price that is no more than 25 percent above the seller's average price during the 60-day period before an abnormal market disruption is declared under subdivision 2;

(3) a price that is consistent with the fluctuations in applicable commodity markets or seasonal fluctuations; or

(4) a contract price, or the results of a price formula, that was established before an abnormal market disruption is declared under subdivision 2.

Sec. 29. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended to read:

Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric Administration, a residential building contractor, tree trimmer, or restoration and mitigation services



provider operating within the geographic region impacted by the weather event and repairing damage caused by the weather event shall not:

(1) charge an unconscionably excessive price for labor in comparison to the market price charged for comparable services in the geographic region impacted by the weather event; or

(2) charge an insurance company a rate that exceeds what the residential building contractor, tree trimmer, or restoration and mitigation services provider would otherwise ~~charges members~~ charge a member of the general public.

Sec. 30. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended to read:

Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision 4 is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty of \$25,000 per day. No other penalties may be imposed for the same conduct regulated under ~~this section~~ subdivision 4.

Sec. 31. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended to read:

Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring an action using the authority under section 8.31 against a seller ~~or~~ residential building contractor, tree trimmer, or restoration and mitigation services provider for an alleged violation of this section.

(b) Nothing in this section creates a private cause of action in favor of a person injured by a violation of this section.

Sec. 32. Minnesota Statutes 2022, section 325F.03, is amended to read:

### **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

No person, firm or corporation shall establish, maintain or operate any circus, side show, carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production, engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more persons may gather for any lawful purpose in any tent, awning or other fabric enclosure unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops, awnings and all decorative materials, are made from a nonflammable material or are treated and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents designed or manufactured for camping, backpacking, mountaineering, or children's play; tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings or other fabric enclosures erected and used within a sound stage, or other similar structural enclosure which is equipped with an overhead automatic sprinkler system.

Sec. 33. Minnesota Statutes 2022, section 325F.04, is amended to read:

### **325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS.~~**

No person, firm, or corporation may sell or offer for sale or manufacture for sale in this state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or manufacture for sale in this~~

~~state any sleeping bag unless it meets the standards of the commissioner of public safety for flame resistance. Tents and sleeping bags~~ subject to section 325F.03 shall be conspicuously labeled as being durably flame resistant.

Sec. 34. Minnesota Statutes 2022, section 325F.05, is amended to read:

**325F.05 RULES.**

The commissioner of public safety shall act so as to have effective rules concerning standards for ~~nonflammable, flame resistant and durably~~ flame resistant materials and for labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to comply with sections 325F.03 and 325F.04 all materials and labels must comply with the rules adopted by the commissioner. The commissioner has general rulemaking power to otherwise implement sections 325F.03 to 325F.07.

Sec. 35. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-DIFLUOROETHANE (DFE).**

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

(b) "Aerosol duster" means a product used to clean electronics and other items by means of an aerosol sprayed from a pressurized container.

(c) "Behind-the-counter" means placement by a retailer of a product to ensure that customers do not have direct access to the product before a sale is made, requiring the seller to deliver the product directly to the buyer.

(d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service Registry Number of 75-37-6.

Subd. 2. Requirements for retail sale. A retailer must only sell an aerosol duster that contains DFE:

(1) from behind the counter;

(2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of age; and

(3) in a quantity that complies with the purchasing limit established in subdivision 3.

Subd. 3. Purchasing limit. (a) A retailer is prohibited from selling more than three cans of an aerosol duster containing DFE to a customer in a single transaction.

(b) A retailer is prohibited from selling aerosol dusters containing DFE through same day pick up services or same day delivery services.

Subd. 4. Exemption. (a) Subdivisions 2 and 3 do not apply to a business purchasing aerosol dusters online.

(b) Office wholesalers can sell more than three cans of aerosol dusters containing DFE to a business they have a contract with.

Subd. 5. **Labeling.** (a) An aerosol duster manufactured after May 31, 2025, must not be sold in this state unless the aerosol duster clearly warns against the dangers of intentionally misusing duster aerosol products.

(b) The font size of this warning shall be the same or larger than other warning language. The font color and background of the label must be in contrasting colors.

(c) The label on each can of aerosol duster containing DFE must contain the following:

(1) the words "DANGER: DEATH! Breathing this product to get high can kill you!"; and

(2) the poison control phone number, 1-800-222-1222.

(d) In order to comply with paragraph (a), a label may include, but is not limited to the words:

(1) "Deliberate misuse by concentrating and inhaling the contents can be harmful or fatal!"; and

(2) "Intentional misuse by deliberately concentrating and inhaling the vapors can be harmful or fatal!".

(e) The safety symbols and color standards of the label described in this section must conform with the ANSI Z535 safety signage standards guidelines established by the American National Standards Institute.

Subd. 6. **Violations.** (a) A person who violates subdivision 2 or 3 is guilty of a misdemeanor.

(b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

**EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to purchases of aerosol dusters made on or after that date.

Sec. 36. **[325F.676] TICKET SALES.**

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

(b) "Commissioner" means the commissioner of commerce.

(c) "Entertainment" means all forms of entertainment, including but not limited to theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds, amusement parks, athletic competitions and other sports, and all other forms of diversion, recreation, or show.

(d) "Internet domain name" means a globally unique, hierarchical reference to an Internet host or service, which is assigned through a centralized Internet naming authority and which is composed of a series of character strings separated by periods with the rightmost string specifying the top of the hierarchy.

(e) "Online ticket marketplace" means the administrator of a website or other electronic service, including an agent, employee, or assignee of such administrator, that sells tickets or maintains a platform to facilitate the sale of tickets.

(f) "Operator" means a person, including an agent, employee, or assignee of such person, who:

(1) owns, operates, or controls a place of entertainment;

(2) produces entertainment; or

(3) sells a ticket to a place of entertainment for original sale.

(g) "Person" means a party, individual, partnership, association, corporation, or other legal entity.

(h) "Place of entertainment" means an entertainment facility, including but not limited to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue, club, or other place where performances, concerts, exhibits, athletic games, contests, or other forms of entertainment are held. For the purposes of this section, place of entertainment does not include movie theaters.

(i) "Ticket reseller" means a person that offers or sells tickets for resale after the original sale to an entertainment event located in this state and includes an operator to the extent that the operator offers or sells tickets for resale. Sales by a ticket reseller includes sales by any means, including but not limited to in-person, or by telephone, mail, delivery service, facsimile, Internet, email, or other electronic means. A ticket reseller does not include a person that purchases a ticket solely for their own use or the use of their invitees, employees, or agents.

(j) "URL" means a uniform resource locator for a website on the Internet.

Subd. 2. **Disclosures.** (a) An operator, ticket reseller, or online ticket marketplace must, at all times during the ticket listing and purchasing process, disclose in an easily readable and conspicuous manner and in dollars:

(1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in order to purchase the ticket;

(2) the portion of the ticket price that represents a service charge; and

(3) any other fee or surcharge to the purchaser.

(b) The disclosure of subtotals, fees, charges, and all other components of the total price must not be false or misleading, and shall not be presented more prominently or in the same or larger size than the total price. The disclosure of subtotals, fees, charges, and all other components of the total price may be displayed in a way that allows the purchaser to hide or minimize the itemized list. The price of a ticket must not increase with respect to a particular person after the ticket is first displayed to such person, excluding reasonable fees for the delivery of nonelectronic tickets based on the delivery method selected by the purchaser and any additional purchases made by the purchaser, which must be disclosed prior to accepting payment.

(c) A ticket reseller and online ticket marketplace must disclose in an easily readable and conspicuous manner on its website or electronic service:

(1) that the website or electronic service is owned or operated by a ticket reseller or online ticket marketplace and that the price of a resale ticket offered for sale may be higher or lower than the original purchase price;

(2) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(3) the refund policy of the ticket reseller or online ticket marketplace.

A ticket reseller or online ticket marketplace must require a purchaser to confirm having read the disclosures required by this paragraph before completing a transaction.

(d) A ticket reseller or online ticket marketplace must provide proof of purchase to the purchaser that must include all event and ticket information within 24 hours of the purchase, including:

(1) that the purchaser is responsible for checking with the place of entertainment for information on changes to the event or cancellations prior to the event's start time; and

(2) the refund policy of the ticket reseller or online ticket marketplace.

(e) An online ticket marketplace must not use any combination of text, images, trademark, copyright, web designs, or Internet addresses that is identical or substantially similar to text, images, trademark, copyright, web designs, or Internet addresses associated with a place of entertainment without the written permission of the place of entertainment duly authorized to provide such permission. This paragraph does not prohibit an online ticket marketplace from using text containing the name of a place of entertainment or of an event in order to describe the location of the event or the event itself. This paragraph does not prohibit an online ticket marketplace from providing information or images identifying the specific seat or area the purchaser will occupy in the place of entertainment.

(f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person engaged in annual aggregate transactions that were equal to or greater than \$5,000.

Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

(1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

(2) employ another person directly or indirectly to wait in line to purchase tickets for the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment has posted a policy prohibiting the practice;

(3) sell or offer to sell a ticket without first informing the person of the location of the place of entertainment and the ticket's assigned seat, including but not limited to the seat number, row, and section number of the seat;

(4) sell or offer to sell a ticket for which there is no assigned seat without first informing the person of the general admission area to which the ticket corresponds; or

(5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been made available to the public, including via presale, without first obtaining permission from the place of entertainment, and having actual or constructive possession of such ticket, unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by the ticket reseller.

(b) A person must not use or cause to be used an Internet domain name or subdomain thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains any of the following, unless acting on behalf of the place of entertainment, event, or person scheduled to perform or appear at the event:

(1) the name of a place of entertainment;

(2) the name of an event, including the name of a person scheduled to perform or appear at the event; or

(3) a name substantially similar to those described in clause (1) or (2).

(c) A person must not:

(1) circumvent any portion of the process for purchasing a ticket on the Internet or for admission to a place of entertainment, including but not limited to security or identity validation measures or an access control system; or

(2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets for admission to a place of entertainment that exceeds the maximum number of tickets allowed for purchase by a person.

(d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

(1) participated in or had the ability to control the conduct committed in violation of paragraph (c); or

(2) knew that the ticket was acquired in violation of paragraph (c).

(e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

(1) the ticket is in the possession or constructive possession of the operator, online ticket marketplace, or ticket reseller; or

(2) the operator, online ticket marketplace, or ticket reseller has a written contract with the place of entertainment to obtain the ticket.

(f) Pursuant to United States Code, title 15, section 45c, circumvention of a security measure, access control system, or other technological control measure used by an online ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity of posted online ticket purchasing order rules is prohibited.

Subd. 4. **Commissioner data requests; data practices.** (a) Upon request by the commissioner, an online ticket marketplace must disclose to the commissioner information about technology and methods used in an alleged violation of subdivision 3, paragraph (f). Data collected or maintained

by the commissioner under this subdivision are civil investigative data under section 13.39, and the commissioner may share with the attorney general any not public data, as defined in section 13.02, subdivision 8a, received under this subdivision.

(b) The commissioner may enforce this section under section 45.027.

**EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to tickets sold on or after that date.

Sec. 37. **[325F.782] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 325F.782 to 325F.7822, the following terms have the meanings given.

Subd. 2. **Minor.** "Minor" means an individual who is younger than 21 years of age.

Subd. 3. **Vapor product.** "Vapor product" means a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor from nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Vapor product also includes a vapor cartridge or other container of nicotine or other substance in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.

Sec. 38. **[325F.7821] PROHIBITION ON DECEPTIVE VAPOR PRODUCTS.**

A person or entity must not market, promote, label, brand, advertise, distribute, offer for sale, or sell a vapor product by:

(1) imitating a product that is not a vapor product, including but not limited to:

(i) a food or brand of food commonly marketed to minors, including but not limited to candy, desserts, and beverages;

(ii) school supplies commonly used by minors, including but not limited to erasers, highlighters, pens, and pencils; and

(iii) a product based on or depicting a character, personality, or symbol known to appeal to minors, including but not limited to a celebrity; a character in a comic book, movie, television show, or video game; and a mythical creature;

(2) attempting to conceal the nature of the vapor product from parents, teachers, or other adults;  
or

(3) using terms for, describing, or depicting any product described in clause (1).

Sec. 39. **[325F.812] CELLULAR TELEPHONE CASES.**

Subdivision 1. **Certain cellular telephone cases; prohibition.** A person is prohibited from purchasing, possessing, importing, manufacturing, selling, holding for sale, or distributing a cellular telephone case, stand, or cover that is a facsimile of or reasonably appears to be a firearm, including but not limited to a pistol or revolver.

Subd. 2. **Enforcement.** This section may be enforced by the attorney general under section 8.31, but a court may not impose a civil penalty of more than \$500 for a violation of this section.

Sec. 40. Minnesota Statutes 2022, section 325G.24, is amended to read:

**325G.24 RIGHT OF CANCELLATION.**

Subdivision 1. **Right of cancellation.** (a) Any person who has elected to become a member of a club may unilaterally cancel such membership, in the person's exclusive discretion, by giving ~~written~~ notice of cancellation at any time before midnight of the third business day following the date on which membership was attained. ~~Notice of cancellation may be given personally or by mail.~~

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed and postage prepaid. ~~Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the member not to be bound by the contract.~~

(c) Cancellation under this subdivision shall be without liability on the part of the member and the member shall be entitled to a refund, within ten days after notice of cancellation is given, of the entire consideration paid for the contract. ~~Rights of cancellation may not be waived or otherwise surrendered.~~

Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to become a member of a club may unilaterally terminate such membership, in the person's exclusive discretion, by giving notice of termination at any time.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed, and postage prepaid.

(c) A club must not impose a termination fee or any other liability on the member for termination under this subdivision.

(d) Termination under this subdivision is effective at the end of the membership term in which the member provides the notice of termination. If membership is at-will without a defined membership term, then termination under this subdivision is effective immediately, unless the member indicates a future effective date of termination, in which event the date indicated by the member is the effective date of termination.

(e) If a member provides notice of termination at any time before midnight of the third business day following the date on which membership was attained, the club must treat the notice as a notice of cancellation under subdivision 1, unless the member specifically provides for a future termination effective date.

Subd. 3. **Notice requirements.** (a) A club must accept a notice of cancellation or notice of termination that has been given:



(1) verbally, including but not limited to personally or over the telephone to customer or account service members;

(2) in writing, including but not limited to via mail, email, or an online message through the club's website directed to customer or account service members;

(3) through a termination election as described in section 325G.60; or

(4) in any other manner or medium by which the member initially accepted membership to the club and that is no more burdensome to the member than was the initial acceptance.

(b) The process to cancel must be stated clearly and be easily accessible and completed with ease.

Subd. 4. **No waiver.** A right of cancellation or right of termination under this section may not be waived or otherwise surrendered.

Sec. 41. Minnesota Statutes 2022, section 325G.25, subdivision 1, is amended to read:

Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in boldface type of a minimum size of 14 points, the following:

**"MEMBERS' RIGHT TO CANCEL"**

"If you wish to cancel this contract, you may cancel in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The notice must ~~say that you do not wish to be bound by the contract and must be delivered or mailed~~ be provided to the club before midnight of the third business day after you sign this contract. ~~The notice must be delivered or mailed to: (Insert name and mailing address of club).~~ If you cancel, the club will return, within ten days of the date on which you give notice of cancellation, any payments you have made."

**"MEMBERS' RIGHT TO UNILATERAL TERMINATION"**

"You may unilaterally terminate this contract in your exclusive discretion at any time. If you terminate, your membership will terminate at the end of the membership term in which you provided the club with notice of termination. If your membership is at-will without a defined membership term, then your membership will terminate immediately, unless you indicate a future effective date of termination. If you wish to terminate this contract, you may terminate in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The club may not impose a termination fee or any other liability on you for termination."

"NOTICE INFORMATION"

"If you wish to provide notice of cancellation or notice of termination to the club:

In-person or by mail, the applicable address is: [Insert name and mailing address of club];

Over the phone, the applicable phone number is: [Insert phone number of club];

Via email, the applicable email address is: [Insert email address of club];

On the club's website, the applicable website address is: [Insert address, if applicable]."

Sec. 42. **[325G.38] HANDHELD ELECTRONIC DEVICES; DISCLOSURES.**

If a retail establishment offers consumers the use of handheld electronic devices that require payment for games or other entertainment, the handheld electronic device must display a disclosure. The disclosure must be provided to the consumer before a game or entertainment is purchased and must:

(1) require the user to affirm that the user is 18 years of age or older; and

(2) include, in at least ten-point font and larger than all other type viewable on the screen at that time, the payment amount required.

Sec. 43. **[325G.56] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined in this section have the meanings given them.

Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in which a subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.

Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that calls attention to the language. In the case of an audio disclosure, "clear and conspicuous" means in a volume and cadence sufficient to be readily audible and understandable.

Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by purchase or lease, any goods, services, money, or credit for personal, family, or household purposes. Consumer includes but is not limited to a member as defined in section 325G.23, unless the context clearly indicates otherwise.

Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in which a subscription or purchasing agreement continues until the consumer terminates the agreement.

Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means a subscription or purchasing agreement:

(1) between a seller and a consumer in Minnesota; and

(2) subject to automatic renewal or continuous service.

Indefinite subscription agreements include but are not limited to contracts, as defined in section 325G.23, subject to automatic renewal or continuous service.

Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

(1) that the indefinite subscription agreement will continue until the consumer terminates the agreement;

(2) the description of the cancellation policy that applies to the indefinite subscription agreement;

(3) the recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the plan or arrangement and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;

(4) the length of the automatic renewal term or that the service is continuous, unless the length of the term is definite and chosen by the consumer; and

(5) the minimum purchase obligation, if any.

Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises, solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed by other persons in consumer transactions. Seller includes but is not limited to a club as defined in section 325G.23, unless the context clearly indicates otherwise.

Sec. 44. **[325G.57] REQUIREMENTS FOR AUTOMATIC RENEWAL OR CONTINUOUS SERVICE.**

Subdivision 1. **Notices upon offer.** A seller making an offer for an indefinite subscription agreement must, before the consumer accepts the offer, present the offer terms in a clear and conspicuous manner to the consumer and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the offer's proposal.

Subd. 2. **Confirmation upon consumer consent.** A seller making an offer for an indefinite subscription agreement must, in a timely manner after the consumer accepts the offer, provide the consumer with confirmation of the consumer's acceptance of the offer, in a manner that is capable of being retained by the consumer, that includes the following:

(1) the offer terms;

(2) if the offer includes a free trial, information on how to cancel the free trial before the consumer pays or becomes obligated to pay for any goods or services in connection with the free trial; and

(3) options for termination of the indefinite subscription agreement, which options must be easy to use, cost-effective, and timely for all consumers:

(i) if a seller makes offers for an indefinite subscription agreement through an online website, a termination election as set forth in section 325G.60; and

(ii) if a consumer enters into the indefinite subscription agreement through any means other than a toll-free telephone number, an email address, or a postal address, then an option substantially similar to, as easy to use, and as accessible as the initial means of consumer acceptance of the agreement.

A communication of the required information through email is sufficient to meet the requirements of this subdivision.

Subd. 3. **Material changes.** Upon a material change in the terms of the indefinite subscription agreement, the seller must provide to the consumer in a timely manner, and in any case prior to the implementation of the material change, a clear and conspicuous notice of the material change and provide information regarding how to terminate the agreement in a manner that is capable of being retained by the consumer. A material change in the terms of an indefinite subscription agreement in violation of this subdivision is void and unenforceable.

Subd. 4. **Free trials.** A seller making an offer for an indefinite subscription agreement that includes a free trial lasting more than 30 days must, no fewer than five days and no more than 30 days before the end of any such free trial, notify the consumer of the consumer's option to cancel the free trial before the end of the trial period to avoid an obligation to pay for the goods or services.

Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription agreement is subject to continuous service, the seller must give the consumer written notice of the continuous service at least once per calendar year via mail or email.

(b) The notice required under this subdivision must include the terms of the service and how to terminate or manage the service.

#### Sec. 45. **[325G.58] PROHIBITED CONDUCT.**

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Charges prior to effective date.** A seller must not charge the consumer's credit or debit card or the consumer's account with a third party in connection with an agreement before the agreement has been duly authorized by the seller and consumer and made effective.

Subd. 3. **Right of first refusal.** An agreement must not require the consumer to permit the seller to match any offer the consumer has received. A provision in an agreement that violates this subdivision is void and unenforceable.

Subd. 4. **No abusive tactics or offers upon notice.** (a) A seller that has received a notice of cancellation or notice of termination of an agreement from a consumer cannot:

(1) make any misrepresentation or undertake any unfair or abusive tactic to delay, unreasonably delay, or avoid the cancellation or termination of the agreement; or

(2) make or provide additional benefits, contract modifications, gifts, or similar offers to the consumer until the seller has obtained permission from the consumer, granted by the consumer after notice of cancellation or termination was given to the seller, for the seller to engage in any such activity.

(b) A seller can only seek a consumer's permission under this paragraph once per cancellation or termination attempt. A consumer's grant of permission under this paragraph is limited to the immediate cancellation or termination attempt and does not apply to subsequent attempts.

Subd. 5. **Exceptions.** This section does not prohibit a seller from:

(1) asking the consumer the reasons for cancellation or termination, provided that a consumer is not required to answer as a condition of cancellation or termination;

(2) informing the consumer that there may be consequences of cancelling or terminating the subscription; or

(3) verifying the identity of the consumer.

Sec. 46. **[325G.59] CONSUMER'S RIGHT TO TERMINATE.**

Subdivision 1. **Termination of agreement subject to automatic renewal.** A consumer may terminate an indefinite subscription agreement subject to automatic renewal at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision is effective at the end of the term in which notice of termination is provided by the consumer, unless the consumer specifies a termination date occurring at the end of a subsequent term, in which event the termination is effective as of the date specified by the consumer, if the option is available.

Subd. 2. **Termination of agreement subject to continuous service.** (a) A consumer may terminate an indefinite subscription agreement subject to continuous service at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision must take effect no later than 31 days from the date of a verified consumer's notice of termination unless the consumer specifies a future termination date, in which event the termination is effective as of such date.

(b) This subdivision does not require a seller to provide an option to set a future termination date.

Subd. 3. **Termination in absence of confirmation or notice.** If the seller fails to provide either the confirmation required under section 325G.57, subdivision 2, or a notice required by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription agreement by any reasonable means at any time, including but not limited to by mail, email, telephone, an online option, a termination election under section 325G.60, or the means by which the consumer entered into the agreement, at no cost to the consumer.

Sec. 47. **[325G.60] TERMINATION ELECTION REQUIREMENT.**

Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. **Termination election required.** (a) If a seller has a website with profile or subscription management capabilities, then such website must include a termination election on the website. The termination election must be clear and conspicuous on the website and must use plain language to convey that any consumer may use the termination election to terminate the agreement at any time. The termination election must only require a consumer to input information that is necessary to process the termination. The termination election must include a checkbox, submission button, or similarly common and simple mechanism for the member to indicate a desire to terminate the agreement.

(b) For purposes of this section, "termination election" means a simple and easily accessible means for a consumer to quickly provide notice of termination, and that does not include undue complexity, confusion, or misrepresentation by the seller.

Sec. 48. **[325G.61] UNCONDITIONAL GIFTS.**

Any good, including but not limited to any ware, merchandise, or product, is an unconditional gift to the consumer if a seller sends the good under an indefinite subscription agreement without first obtaining the consumer's affirmative consent to the agreement in accordance with section 325G.57. The consumer may use or dispose of the good in any manner without any obligation to the seller, including but not limited to any obligation relating to shipping of the good.

Sec. 49. **[325G.62] EXEMPTION.**

Sections 325G.56 to 325G.61 do not apply to:

(1) contracts governed by another state or federal statute or regulation specifically intended to regulate automatic renewal or continuous service;

(2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such a licensee as defined in section 60D.15, subdivision 2;

(3) an individual or business licensed by the Department of Labor and Industry as a technology system contractor or power limited technician as defined in section 326B.31;

(4) any service provided by a business or its affiliate where either the business or its affiliate is licensed or regulated by the Public Utilities Commission, the Federal Communications Commission, or the Federal Energy Regulatory Commission; or

(5) any person or entity registered or licensed with the Financial Industry Regulatory Authority, the Securities and Exchange Commission, or under the Minnesota Securities Act.

Sec. 50. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

The commissioner of commerce may, by order, waive the licensing and registration requirements of this chapter for a nonresident collection agency and its affiliated collectors if: (1) a written reciprocal licensing agreement is in effect between the commissioner and the licensing officials of

the collection agency's home state; and (2) the collection agency is licensed in good standing in that state.

Sec. 51. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended to read:

Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's name that has been incurred as a result of:

(1) the use of the debtor's personal information without the debtor's knowledge, authorization, or consent;

(2) the use or threat of force, intimidation, undue influence, ~~harassment~~, fraud, deception, coercion, or other similar means against the debtor; or

(3) economic abuse perpetrated against the debtor.

(b) Coerced debt does not include secured debt.

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

Sec. 52. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended to read:

Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse, ~~harassment~~ economic abuse, or sex or labor trafficking, and (2) owes coerced debt.

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

Sec. 53. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended to read:

Subd. 5. **Documentation.** "Documentation" means ~~a writing that identifies a debt or a portion of a debt as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of:~~

(1) a police report;

(2) a Federal Trade Commission identity theft report;

(3) an order in a dissolution proceeding under chapter 518 that declares that one or more debts are coerced; or

(4) a sworn written certification.

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

Sec. 54. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended to read:

Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic relationship that controls, restrains, restricts, impairs, or interferes with the ability of a ~~victim of domestic abuse, harassment, or sex or labor trafficking~~ debtor to acquire, use, or maintain economic resources, including but not limited to:

(1) withholding or restricting access to, or the acquisition of, money, assets, credit, or financial information;

(2) interfering with the victim's ability to work and earn wages; or

(3) exerting undue influence over a person's financial and economic behavior or decisions.

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

Sec. 55. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

**332.72 COERCED DEBT PROHIBITED.**

(a) A person is prohibited from causing another person to incur coerced debt.

(b) A person who causes another person to incur a coerced debt in violation of this section is civilly liable to the creditor for the amount of the debt, or portion thereof, determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and costs, provided the creditor follows the procedures under section 332.74, subdivision 3, paragraph (b).

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

Sec. 56. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74, a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on which the creditor demands payment is coerced debt and request that the creditor cease all collection activity on the coerced debt. The notification and request must be in writing and include documentation. If not already included in documentation, the notification must include a signed statement that includes:

(1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or labor trafficking;

(2) a recitation of the facts supporting the claim that the debt is coerced; and

(3) if only a portion of the debt is claimed to be coerced debt, an itemization of the portion of the debt that is claimed to be coerced debt.

(b) The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection. If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.



~~(b) If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.~~

(c) A debtor must not proceed with an action under section 332.74 until the 30-day period provided under paragraph (a) has expired.

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

Sec. 57. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended to read:

Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced debt, the debtor is entitled to one or more of the following:

(1) a declaratory judgment that the debt or portion of a debt is coerced debt;

(2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced debt; and

(3) an order dismissing any cause of action brought by the creditor to enforce or collect the coerced debt from the debtor or, if only a portion of the debt is established as coerced debt, an order directing that the judgment, if any, in the action be amended to reflect only the portion of the debt that is not coerced debt.

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been personally served on the person who violated section 332.72, or if personal service cannot be made, after service by United States mail to the last known address of the person who violated section 332.72 and one-week published notice under section 645.11, shall must issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

(c) This subdivision applies regardless of the judicial district in which the creditor's action or the debtor's petition was filed.

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

Sec. 58. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended to read:

Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced debt has been criminally convicted, entered a guilty plea, or entered an Alford plea under of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or 609.527.

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

Sec. 59. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS; UNFAIR SERVICE AGREEMENTS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1.

(c) "Person" means natural persons, corporations both foreign and domestic, trusts, partnerships both limited and general, incorporated or unincorporated associations, companies, business entities, and any other legal entity or any other group associated in fact although not a legal entity or any agent, assignee, heir, employee, representative, or servant thereof.

(d) "Record" or "recording" means placement of a document or instrument in the official county public land records.

(e) "Residential real property" means real property that is located in Minnesota occupied, or intended to be occupied, by one to four families as their residence.

(f) "Service agreement" means a contract under which a person agrees to provide real estate broker services as defined in section 82.55, subdivision 19, in connection with the purchase or sale of residential real property.

(g) "Service provider" means an individual or entity that provides services to a person pursuant to a service agreement.

Subd. 2. **Unfair service agreements; prohibition.** (a) A service agreement subject to this section is unfair and prohibited if any part of the agreement provides an exclusive right to a service provider for a term in excess of one year after the time the service agreement is entered into and:

(1) purports to run with the land or to be binding on future owners of interests in the real property;

(2) allows for assignment of the right to provide service without notice to and consent of the residential real property's owner, including a contract for deed vendee;

(3) is recorded or purports to create a lien, encumbrance, or other real property security interest;  
or

(4) contains a provision that purports to automatically renew the agreement upon its expiration.

(b) The following are not unfair service agreements under this section:

(1) a home warranty or similar product that covers the cost of maintaining a major home system or appliance for a fixed period;

(2) an insurance contract;

(3) a mortgage loan or a commitment to make or receive a mortgage loan;

(4) an option or right of refusal to purchase a residential real property;

(5) a declaration of any covenants, conditions, or restrictions created in the formation of a homeowners association, a group of condominium owners, or other common interest community or an amendment to the covenants, conditions, or restrictions;

(6) a maintenance or service agreement entered by a homeowners association in a common interest community;

(7) a security agreement governed by chapter 336 that relates to the sale or rental of personal property or fixtures; or

(8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service provider.

(c) This section does not impair any lien right granted under Minnesota law or that is judicially imposed.

**Subd. 3. Recording prohibited.** (a) A person is prohibited from:

(1) presenting or sending an unfair service agreement or notice or memorandum of an unfair service agreement to any county recorder to record; or

(2) causing an unfair service agreement or notice or memorandum of an unfair service agreement to be recorded by a county recorder.

(b) If a county recorder records an unfair service agreement, the county recorder does not incur liability.

(c) If an unfair service agreement is recorded, the recording does not create a lien or provide constructive notice to any third party, bona fide purchaser, or creditor.

**Subd. 4. Unfair service agreements unenforceable.** A service agreement that is unfair under this section is unenforceable and does not create a contractual obligation or relationship. Any waiver of a consumer right, including a right to trial by jury, in an unfair service agreement is void.

**Subd. 5. Unfair service agreements; solicitation.** Encouraging any consumer to enter into an unfair service agreement by any service provider constitutes:

(1) an unfair method of competition; and

(2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph (c), and section 325F.69.

**Subd. 6. Enforcement authority.** (a) This section may be enforced by the attorney general under section 8.31, except that any private cause of action brought under subdivision 7 is subject to the limitation under subdivision 7, paragraph (d).

(b) The commissioner of commerce may enforce this section with respect to a service provider's real estate license.

**Subd. 7. Remedies.** (a) A consumer that is party to an unfair service agreement related to residential real property or a person with an interest in the property that is the subject of that agreement

may bring an action under section 8.31 or 325F.70 in district court in the county where the property is located.

(b) If an unfair service agreement or a notice or memorandum of an unfair service agreement is recorded against any residential real property, any judgment obtained under this section, after being certified by the clerk having custody of the unfair service agreement or notice or memorandum of the unfair service agreement, may be recorded and indexed against the real property encumbered or clouded by the unfair service agreement.

(c) The remedies provided under this section are not exclusive and do not reduce any other rights or remedies a party may have in equity or in law.

(d) No private action may be brought under this section more than six years after the date the term printed in the unfair service agreement expires.

Sec. 60. **REPEALER.**

(a) Minnesota Statutes 2022, sections 325G.25, subdivision 1a; and 332.3351, are repealed.

(b) Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

**EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025.

Sec. 61. **EFFECTIVE DATE.**

(a) Sections 12 to 25 are effective August 1, 2024.

(b) Sections 42, 43, and 45 to 52 are effective August 1, 2025, and apply to contracts entered into, modified, or renewed on or after that date.

## ARTICLE 4

### LIQUOR

Section 1. Minnesota Statutes 2022, section 340A.101, subdivision 13, is amended to read:

Subd. 13. **Hotel.** "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

(1) a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; ~~and~~ or

(2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, ~~25~~ 15; in all other cities and unincorporated areas, 10.

Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local

ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating to seating requirements, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions or catering contract with the Minneapolis Park and Recreation Board for use on the Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this subdivision may be used for space specified within the park property, provided all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on the dates on the approved license application.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 3. Minnesota Statutes 2022, section 340A.412, is amended by adding a subdivision to read:

Subd. 12a. **Transfers of wine.** (a) Notwithstanding the provisions of subdivision 12, the holder of an off-sale intoxicating liquor license may transfer wine from one licensed premises to another provided that:

(1) the license for the transferring and receiving premises are held by the same licensee;

(2) the licensee notifies the wholesaler from whom the wine was purchased and the Division of Alcohol and Gambling Enforcement of the Division of Public Safety, in writing, at least three business days before the transfer is made, the specific product and quantity of product being transferred;

(3) only one transfer is made from a licensed premises in a three-month period; and

(4) each transfer of wine must not exceed 75 cases of wine. Each case is limited to 12 bottles of wine.

(b) A licensee that is delinquent beyond the 30-day period in section 340A.318 is prohibited from transferring wine under this subdivision.

(c) Transfers of wine must only occur within the state of Minnesota.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 4. Laws 2022, chapter 86, article 2, section 3, is amended to read:

**Sec. 3. CITY OF ST. PAUL; LICENSE AUTHORIZED.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota or to a person or entity holding a concessions contract with the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

**Sec. 5. SPORTS AND EVENT CENTER LICENSE; EAGAN.**

Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses to the owner of a multiuse sports and event center located on property in the city of Eagan, legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter due to subdivision or replatting, or to any facility operator, concessionaire, catering operator, or other third-party food and beverage vendor for the center under contract with the owner. A license issued under this section may be issued for a space that is not compact and contiguous, provided that the licensed premises shall only be the space described in the approved license. A license issued under this section authorizes sales on all days of the week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 6. **SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds.

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

Sec. 7. **SPECIAL LIQUOR LAW; CITY OF WATKINS.**

Notwithstanding Minnesota Statutes, section 624.701, the city of Watkins may issue an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph (d), for sales at town ball games played at a ballpark on school grounds, provided the board of Independent School District No. 463, Eden Valley-Watkins, adopts a resolution approving the issuance of the license. The provisions of Minnesota Statutes, section 624.701, do not apply to the school grounds or buildings for a license issued under this section.

## ARTICLE 5

### MEDICAL SUPPLEMENT IMPLEMENTATION DELAY

Section 1. Laws 2023, chapter 57, article 2, section 7, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 2. Laws 2023, chapter 57, article 2, section 8, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 3. Laws 2023, chapter 57, article 2, section 9, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 4. Laws 2023, chapter 57, article 2, section 10, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 5. Laws 2023, chapter 57, article 2, section 11, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 6. Laws 2023, chapter 57, article 2, section 12, the effective date, is amended to read:



**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 7. Laws 2023, chapter 57, article 2, section 13, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 8. Laws 2023, chapter 57, article 2, section 14, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Sec. 9. Laws 2023, chapter 57, article 2, section 15, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to policies offered, issued, or renewed on or after that date.

Delete the title and insert:

"A bill for an act relating to commerce; adding and modifying various provisions related to insurance; regulating financial institutions; modifying provisions governing financial institutions; providing for certain consumer protections and privacy; modifying provisions governing commerce; making technical changes; establishing civil and criminal penalties; authorizing administrative rulemaking; requiring reports; amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20, subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1, 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3; 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision; 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61; 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24; 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2; 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement, sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions; 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71, subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5; Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2, sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 58B; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Senator Dibble from the Committee on Transportation, to which was referred**

**S.F. No. 3944:** A bill for an act relating to transportation; modifying various policies, including but not limited to legislative routes, driving rules, small business contract preferences, nondivisible loads, and greater Minnesota transit programs; making technical corrections; appropriating money; amending Minnesota Statutes 2022, sections 161.115, subdivisions 116, 117, by adding a subdivision; 161.321, subdivisions 2, 2b; 169.19, subdivision 2; 169.34, subdivision 1; 169.444, subdivision 4; 169.80, by adding a subdivision; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; Minnesota Statutes 2023 Supplement, sections 161.045, subdivision 3; 174.40, subdivision 4a; Laws 2023, chapter 68, article 1, section 2, subdivision 4; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 174.22, subdivisions 5, 8, 15; 174.23, subdivision 7; Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1****DEPARTMENT OF TRANSPORTATION**

Section 1. Minnesota Statutes 2022, section 161.115, subdivision 116, is amended to read:

Subd. 116. **Route No. 185.** Beginning at a point on Route No. 1 ~~at Sandstone~~ and Route No. 390, thence extending in a northeasterly direction to a point on Route No. 103 as herein established in Duluth.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Pine County to transfer jurisdiction of a portion of Legislative Route No. 185 and notifies the revisor of statutes electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 2. Minnesota Statutes 2022, section 161.115, subdivision 117, is amended to read:

Subd. 117. **Route No. 186.** Beginning at a point on Route No. 110 as herein established, thence extending in an easterly direction to a point on Route No. 185 ~~as herein established at or near Askov~~ 1 and Route No. 390; affording Isle, and Finlayson, and Askov, a reasonable means of communication each with the other and other places within the state.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 3. Minnesota Statutes 2022, section 161.115, is amended by adding a subdivision to read:

Subd. 272. **Route No. 341.** Beginning at a point on Route No. 1 at Sandstone, thence extending in a generally easterly direction to a point at or near the east bank of the Kettle River.

**EFFECTIVE DATE.** This section is effective the day after the commissioner of transportation notifies the revisor of statutes electronically or in writing of the effective date.

Sec. 4. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 104. **Senator David J. Tomassoni Memorial Cross Range Expressway.** That segment of marked U.S. Highway 169 from Itasca County State-Aid Highway 69 in the city of Marble to Saint Louis County State-Aid Highway 7 in the city of Mountain Iron is designated as "Senator David J. Tomassoni Memorial Cross Range Expressway." Subject to section 161.139, the commissioner must adopt a suitable design to mark this highway and erect appropriate signs.

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

Sec. 5. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to read:

Subd. 105. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S. Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 6. Minnesota Statutes 2022, section 161.321, subdivision 2, is amended to read:

Subd. 2. **Small targeted group business, small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to small targeted group businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid.

(c) The commissioner may award up to a four percent preference in the amount bid for specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Sec. 7. Minnesota Statutes 2022, section 161.321, subdivision 2b, is amended to read:

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a ~~six~~ 12 percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this section, the percentage of preference in bid amount under this subdivision may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related

professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Sec. 8. Minnesota Statutes 2022, section 169.19, subdivision 2, is amended to read:

Subd. 2. ~~U-turn. No vehicle shall be turned~~ The operator of a vehicle must not turn to proceed in the opposite direction upon any curve, or upon the approach to or near the crest of a grade, where the vehicle cannot be seen by the driver operator of any other vehicle approaching from either direction within 1,000 feet, nor shall the driver. The operator of a vehicle must not turn the vehicle to proceed in the opposite direction unless the movement can be made safely and without interfering with other traffic. When necessary to accommodate vehicle configuration on The operator of a vehicle is permitted to make a right-hand turn into the farthest lane of a roadway with two or more lanes in the same direction; a driver may turn the vehicle into the farthest lane and temporarily use the shoulder to make a U-turn in order to make a U-turn at a reduced-conflict intersection if it is safe to do so.

Sec. 9. Minnesota Statutes 2022, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) ~~No person shall~~ A person must not stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

- (1) on a sidewalk;
- (2) in front of a public or private driveway;
- (3) within an intersection;
- (4) within ten feet of a fire hydrant;
- (5) on a crosswalk;
- (6) within 20 feet of a crosswalk at an intersection;
- (7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;
- ~~(8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;~~

~~(9)~~ (8) within 50 feet of the nearest rail of a railroad crossing;

~~(10)~~ (9) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;

~~(11)~~ (10) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;

~~(12)~~ (11) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;

~~(13)~~ (12) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

~~(14)~~ (13) within a bicycle lane, except when posted signs permit parking; or

~~(15)~~ (14) at any place where official signs prohibit stopping.

(b) ~~No person shall~~ A person must not move a vehicle not owned by ~~such~~ the person into any prohibited area or away from a curb such distance as is unlawful.

(c) ~~No person shall~~ A person must not, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) ~~No person shall~~ A person must not stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 10. Minnesota Statutes 2022, section 169.444, subdivision 4, is amended to read:

Subd. 4. **Exception for separated roadway.** (a) A person driving a vehicle on a street or highway with separated roadways is not required to stop the vehicle when approaching or meeting a school bus that is on a different roadway.

(b) "Separated roadway" means a road that is separated from a parallel road by a barrier, safety isle, or ~~safety zone~~ median.

Sec. 11. Minnesota Statutes 2022, section 169.56, is amended by adding a subdivision to read:

Subd. 6. **Motorcycle ground light.** Notwithstanding section 169.64, subdivision 4a, a motorcycle may be equipped with white ground lights mounted under the motorcycle if:

(1) the bulbs or strips are not visible to operators of other vehicles; and

(2) the lights are aimed as to project a steady, nonflashing beam not more than six feet in radius directly onto the roadway and illuminate an area around the motorcycle.

Sec. 12. Minnesota Statutes 2022, section 169.80, is amended by adding a subdivision to read:

Subd. 4. **Nondivisible load or vehicle.** (a) "Nondivisible load" or "nondivisible vehicle" means any load or vehicle exceeding the applicable length, width, height, or weight limits set forth in this chapter, which, if separated into smaller loads or vehicles would:

(1) compromise the intended use of the load or vehicle;

(2) destroy the value of the load or vehicle; or

(3) require more than eight work hours to dismantle using appropriate equipment. The applicant for a nondivisible load permit has the burden of proof as to the number of work hours required to dismantle the load.

(b) A vehicle transporting a divisible load may simultaneously transport multiple items unless doing so would require an additional permit because the vehicle, when loaded with multiple items, would exceed the limits set forth in this chapter.

Sec. 13. Minnesota Statutes 2022, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) For the purposes of this subdivision, "emergency pumping services" means a sewage septic tank truck's response to:

(1) uncontrolled and unintended seepage of the contents of a septic system into the ground, around a structure, or into a body of surface water;

(2) damage or malfunction to a septic system that requires removal of the contents of the septic system for repair or maintenance; or

(3) a condition that creates an immediate hazard to the health, welfare, or safety of a person.

(b) When a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks is performing emergency pumping services, sections 169.823 and 169.826 to 169.828 do not apply, and the weight limitations under section 169.824 are increased by ten percent when transporting sewage from a single point of service to the point of unloading.

(c) Notwithstanding section 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

(f) A vehicle operated under this subdivision must not be operated with a load that exceeds the tire manufacturer's recommended load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7.

(g) The exceptions under this subdivision do not apply to a sewage septic tank truck's operation on an interstate highway.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and, garbage, and waste collection vehicles.** (a) ~~Except as provided in paragraph (b)~~ While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling operating in a political subdivision that mandates curbside recycling pickup;

~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to:~~ (1) ~~(2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a);~~

~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, while engaged in such collection; or~~

~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection; or~~

(5) a sewage septic tank truck while performing emergency pumping services as defined in section 169.829, subdivision 5, that does not exceed 20,000 pounds per single axle and is designed and used exclusively to haul sewage from septic or holding tanks.

~~(e) (b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection, is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle meets the requirements under paragraph (a) and is engaged in the type of collection the vehicle was designed to perform.~~

**EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 174.03, subdivision 12, is amended to read:

Subd. 12. **Trunk highway performance, resiliency, and sustainability.** (a) The commissioner must implement performance measures and ~~annual~~ targets for the trunk highway system in order to construct resilient infrastructure, enhance the project selection for all transportation modes, improve economic security, and achieve the state transportation goals established in section 174.01.

(b) At a minimum, the transportation planning process must include:

(1) an inventory of transportation assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit asset categories;

(2) ~~lag (resulting), and where practicable lead (predictive),~~ establishment of statewide performance measures and annual targets, reporting of performance measure results, and where possible, performance forecasts that are:

(i) statewide and, where data allow, district-specific;

(ii) for assets in each asset category specified in clause (1) ~~for a period of up to 60 years~~; and

(iii) identified in collaboration with the public;

(3) gap identification and an explanation of the difference between performance targets and current status; and

(4) life cycle assessment and corridor risk assessment as part of asset management programs in each district of the department.

(c) At a minimum, the ten-year capital highway investment plan in each district of the department must:

(1) be based on expected funding during the plan period and, to the extent feasible, maximize long-term benefits;

(2) estimate the funding necessary to make optimal life cycle investments;

~~(2)~~ (3) identify investments within each of the asset categories specified in paragraph (b), clause (1), that are funded through the trunk highway capital program;

~~(3)~~ (4) ~~recommend~~ identify specific trunk highway segments programmed to be removed from the trunk highway system; and

~~(4)~~ (5) deliver annual progress toward achieving the state transportation goals established in section 174.01.

(d) Annually by December 15, the commissioner must report trunk highway performance measures and ~~annual~~ targets and identify gaps, including information detailing the department's progress on achieving the state transportation goals, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The report must be signed by the ~~department's chief engineer~~ commissioner.

Sec. 16. Minnesota Statutes 2023 Supplement, section 174.40, subdivision 4a, is amended to read:

Subd. 4a. **Eligibility.** A statutory or home rule charter city, county, town, or federally recognized Indian Tribe is eligible to receive funding under this section. A statutory or home rule charter city, county, or town is eligible to receive funding for infrastructure projects under this section only if it has adopted subdivision regulations that require safe routes to school infrastructure in developments authorized on or after June 1, 2016.



Sec. 17. Minnesota Statutes 2022, section 174.632, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, promoting, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including Amtrak, a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 18. Minnesota Statutes 2022, section 174.636, subdivision 1, is amended to read:

Subdivision 1. **Powers.** The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) conduct and engage in promotional and marketing research, campaigns, outreach, and other activities to increase awareness, education, and ridership of passenger rail in Minnesota;

~~(2)~~ (3) let all necessary contracts as provided by law; and

~~(3)~~ (4) make agreements with and cooperate with any public or private entity, including Amtrak, to carry out statutory duties related to passenger rail.

Sec. 19. **[219.455] DEFINITIONS.**

(a) For purposes of sections 219.45 to 219.53, the following terms have the meanings given.

(b) "Depot company" means a company formed to construct and operate a passenger station on behalf of a railroad or rail carrier.

(c) "Passenger service" means both intercity rail passenger service and commuter rail passenger service.

(d) "Railway company" means a company incorporated or licensed to operate a railroad track or train, and includes a company that loads, unloads, or transloads products.

(e) "Terminal" means a facility or station where:

(1) trains stop to load, unload, or transfer passengers, freight, or both;

(2) formation, dispatch, reception and temporary stabling, and marshalling of rolling stock occurs; or

(3) trains are serviced, maintained, or repaired.

(f) "Yard" means a system of tracks within defined limits provided for making up trains, storing cars, and other purposes.

(g) "Yard track" means a system of tracks within defined limits used for:

(1) the making up or breaking up of trains;

(2) the storing of cars; and

(3) other related purposes over which movements not authorized by timetable or by train order may be made subject to prescribed signals, rules, or other special instructions.

Sidings used exclusively as passing track and main line track within yard limits do not constitute yard track.

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

Sec. 20. Minnesota Statutes 2022, section 219.46, subdivision 1, is amended to read:

Subdivision 1. **Structure.** (a) On and after April 16, 1913, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack, for use in any traffic mentioned in section 219.45:

(1) to erect or reconstruct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within eight feet of the centerline of the track or sidetrack;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within eight feet of the centerline of the track or sidetrack; or

(3) to erect or reconstruct overhead wires, bridges, viaducts or other obstructions passing over or above its tracks at a height less than 21 feet, measured from the top of the track rail.

(b) If after May 1, 1943, overhead structures or platforms or structures designed only to be used in the loading or unloading of cars are rebuilt or remodeled, then these overhead structures must be built with an overhead clearance of not less than 22 feet from the top of the rail. These structures or platforms must be built with a side clearance of not less than 8-1/2 feet from the centerline of the track unless by order the commissioner may provide otherwise.

(c) Sections 219.45 to 219.53 do not apply to yards and terminals of: (1) depot companies, or (2) railway companies used only for passenger service. If personal injury is sustained by an employee of a depot company or railway company used only for passenger service, by reason of noncompliance with sections 219.45 to 219.53, that employee, or in case of the employee's death, the personal representative, has the rights, privileges, and immunities enumerated in section 219.53.

(d) On and after May 1, 1943, it is unlawful for a common carrier or any other person, on a standard gauge road on its line or a standard gauge sidetrack or spur, for use in any traffic mentioned in section 219.45:

(1) to erect or construct and maintain an adjoining warehouse, coal chute, stock pen, pole, mail crane, standpipe, hog drencher, or any permanent or fixed structure or obstruction within 8-1/2 feet of the centerline of the track;

(2) in excavating, to allow an adjoining embankment of earth or natural rock to remain within 8-1/2 feet of the centerline of the track or sidetrack; or

(3) to erect or construct overhead wires, bridges, viaducts, or other obstructions passing over or above its tracks at a height less than 22 feet, measured from the top of the track rail.

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 221.0269, subdivision 4, is amended to read:

Subd. 4. **Intrastate transportation; heating fuel products.** (a) If a regional emergency has been declared by the President of the United States or by the Federal Motor Carrier Safety Administration pursuant to United States Code, title 49, section 390.23(a), ~~and the declaration includes heating fuel as a covered commodity,~~ the federal regulations incorporated into section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of heating fuel products when the driver is:

(1) driving a vehicle designed and exclusively used to transport fuel products; and

(2) carrying only fuel products as defined in section 296A.01.

(b) The relief provided by paragraph (a) only applies when the fuel product being transported is included in the emergency declaration as a covered commodity.

(c) Notwithstanding the relief provided in paragraph (a), a driver may not exceed a total of 14 hours combined on-duty and driving time after coming on duty following at least ten consecutive hours off-duty.

~~(e)~~ (d) If a driver is operating under the relief provided by paragraph (a), and the declaration is in effect for more than 30 calendar days, the driver must take a 34-hour restart before the driver has been on duty for 30 consecutive days.

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

Sec. 22. Minnesota Statutes 2022, section 221.033, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** Except as provided in ~~subdivisions 2 to 2d~~ this section, no person may transport or offer or accept for transportation within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 5101 to 5126 and the provisions of Code of Federal Regulations, title 49, parts 171 to 199,

which are incorporated by reference. Those provisions apply to transportation in intrastate commerce to the same extent they apply to transportation in interstate commerce.

Sec. 23. Minnesota Statutes 2022, section 221.033, is amended by adding a subdivision to read:

Subd. 2e. **Transportation of specific petroleum products; driver requirements.** (a) This subdivision applies to intrastate commerce.

(b) A driver who operates a motorized tank truck vehicle with a capacity of less than 3,500 gallons that is used to transport petroleum products must have a valid commercial driver's license with endorsements for hazardous materials and tank vehicles and be at least 18 years of age.

(c) A driver who operates a vehicle that is used to transport liquefied petroleum gases in nonbulk or bulk packaging as defined in Code of Federal Regulations, title 49, section 171.8, including the transportation of consumer storage tanks in compliance with Code of Federal Regulations, title 49, section 173.315(j), must have a valid commercial driver's license with a hazardous materials endorsement and be at least 18 years of age.

(d) A driver who operates a vehicle under paragraph (c) must also have a tank vehicle endorsement if the aggregate capacity of the bulk packaging being transported is 1,000 gallons or more.

(e) Nonbulk or bulk packaging transported under paragraph (c) must have an aggregate capacity of less than 3,500 gallons.

Sec. 24. **REPEALER.**

Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; and 221.033, subdivision 2c, are repealed.

## ARTICLE 2

### DEPARTMENT OF PUBLIC SAFETY

Section 1. Minnesota Statutes 2023 Supplement, section 4.076, subdivision 3, is amended to read:

Subd. 3. **Membership; chair.** (a) The advisory council consists of the following members:

(1) the chair, which is filled on a two-year rotating basis by a designee from:

(i) the Office of Traffic Safety in the Department of Public Safety;

(ii) the Office of Traffic Engineering in the Department of Transportation; and

(iii) the Injury and Violence Prevention Section in the Department of Health;

(2) two vice chairs, which must be filled by the two designees who are not currently serving as chair of the advisory council under clause (1);

- (3) the statewide Toward Zero Deaths communications coordinator;
- (4) the statewide Toward Zero Deaths program and operations coordinator;
- ~~(4)~~ (5) a regional coordinator from the Toward Zero Deaths program;
- ~~(5)~~ (6) the chief of the State Patrol or a designee;
- ~~(6)~~ (7) the state traffic safety engineer in the Department of Transportation or a designee;
- ~~(7)~~ (8) a law enforcement liaison from the Department of Public Safety;
- ~~(8)~~ (9) a representative from the Department of Human Services;
- ~~(9)~~ (10) a representative from the Department of Education;
- ~~(10)~~ (11) a representative from the Council on Disability;
- ~~(11)~~ (12) a representative for Tribal governments;
- ~~(12)~~ (13) a representative from the Center for Transportation Studies at the University of Minnesota;
- ~~(13)~~ (14) a representative from the Minnesota Chiefs of Police Association;
- ~~(14)~~ (15) a representative from the Minnesota Sheriffs' Association;
- ~~(15)~~ (16) a representative from the Minnesota Safety Council;
- ~~(16)~~ (17) a representative from AAA Minnesota;
- ~~(17)~~ (18) a representative from the Minnesota Trucking Association;
- ~~(18)~~ (19) a representative from the Insurance Federation of Minnesota;
- ~~(19)~~ (20) a representative from the Association of Minnesota Counties;
- ~~(20)~~ (21) a representative from the League of Minnesota Cities;
- ~~(21)~~ (22) the American Bar Association State Judicial Outreach Liaison;
- ~~(22)~~ (23) a representative from the City Engineers Association of Minnesota;
- ~~(23)~~ (24) a representative from the Minnesota County Engineers Association;
- ~~(24)~~ (25) a representative from the Bicycle Alliance of Minnesota;
- ~~(25)~~ (26) two individuals representing vulnerable road users, including pedestrians, bicyclists, and other operators of a personal conveyance;
- ~~(26)~~ (27) a representative from Minnesota Operation Lifesaver;

~~(27)~~ (28) a representative from the Minnesota Driver and Traffic Safety Education Association;

~~(28)~~ (29) a representative from the Minnesota Association for Pupil Transportation;

~~(29)~~ (30) a representative from the State Trauma Advisory Council;

~~(30)~~ (31) a person representing metropolitan planning organizations; ~~and~~

~~(31)~~ (32) a person representing contractors engaged in construction and maintenance of highways and other infrastructure;

(33) the director of the Minnesota Emergency Medical Services Regulatory Board or successor organization; and

(34) a person representing a victims advocacy organization.

(b) The commissioners of public safety and transportation must jointly appoint the advisory council members under paragraph (a), clauses ~~(11)~~ (12), ~~(25)~~ (26), ~~(30)~~ (31), ~~and (31)~~ (32), and (34).

Sec. 2. Minnesota Statutes 2022, section 65B.28, subdivision 2, is amended to read:

Subd. 2. **Accident prevention course; rules.** (a) The commissioner of public safety ~~shall~~ must adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older.

(b) The rules must, at a minimum, include provisions:

(1) establishing curriculum requirements; and

~~(2) establishing the number of hours required for successful completion of the course; and~~

~~(3)~~ (2) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course.

(c) The accident prevention course must be a total of four hours.

Sec. 3. Minnesota Statutes 2023 Supplement, section 115E.042, subdivision 4, is amended to read:

Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or other hazardous substances, (2) protect the environment, and (3) assist local public safety officials. Within 15 minutes of a rail incident involving a confirmed discharge or release of oil or other hazardous substances, a railroad must contact the applicable emergency manager and applicable fire ~~chief~~ department, through the local public safety answering point, having jurisdiction along the route where the incident occurred. After learning of the rail incident involving oil or other hazardous substances, the applicable emergency manager and applicable fire ~~chief~~ department must, as soon as practicable, identify and provide contact information of the responsible incident commander to the reporting railroad.

(b) Within 15 minutes of local emergency responder arrival on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander to determine the nature of any hazardous substance known to have been released and hazardous substance cargo transported on the train. Assistance must include providing information that identifies the chemical content of the hazardous substance, contact information for the shipper, and instructions for dealing with the release of the material. A railroad may provide information on the hazardous substances transported on the train through the train orders on board the train or by facsimile or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company representative to advise the incident commander, assist in assessing the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The representative may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(e) Within three hours of confirmation of a discharge, a railroad must provide (1) qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and (2) resources to assist the incident commander with ongoing public safety and scene stabilization.

(f) A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or other hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

- (1) training and caching equipment with local jurisdictions;
- (2) training and caching equipment with a fire mutual-aid group;
- (3) means of an industry cooperative or mutual-aid group;
- (4) deployment of a contractor;
- (5) deployment of a response organization under state contract; or
- (6) other dependable means acceptable to the Pollution Control Agency.

(g) Each arrangement under paragraph (f) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(h) Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

- (1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(i) Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Sec. 4. Minnesota Statutes 2022, section 168.002, subdivision 26, is amended to read:

Subd. 26. **Pickup truck.** "Pickup truck" means any truck with a manufacturer's nominal rated carrying capacity of three-fourths ton or less and commonly known as a pickup truck. If the manufacturer's nominal rated carrying capacity is not provided or cannot be determined, then the value specified by the manufacturer as the gross vehicle weight as indicated on the manufacturer's certification label must be ~~less than~~ 10,000 pounds or less.

Sec. 5. Minnesota Statutes 2022, section 168.002, subdivision 27, is amended to read:

Subd. 27. **Recreational vehicle.** (a) "Recreational vehicle" means travel trailers including those that telescope or fold down, chassis-mounted campers, motor homes, tent trailers, teardrop trailers, and converted buses that provide temporary human living quarters.

(b) "Recreational vehicle" is a vehicle that:

(1) is not used as the residence of the owner or occupant;

(2) is used while engaged in recreational or vacation activities; and

(3) is either self-propelled or towed on the highways incidental to the recreational or vacation activities.

Sec. 6. Minnesota Statutes 2022, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than 3,000 pounds, the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e. A trailer registered at a gross vehicle weight greater than 3,000 pounds but no greater than 7,200 pounds may be taxed either: (1) annually as provided in this paragraph; or (2) once every three years on the basis of total gross weight and is 90 percent of the Minnesota base rate prescribed in subdivision 1e, provided that the filing fee under section 168.33, subdivision 7, paragraph (a), is multiplied by three, with funds collected by the commissioner allocated proportionally in the same manner as provided in section 168.33, subdivision 7, paragraph (e).

(b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.



(c) Effective on and after July 1, 2001, trailers registered at a gross vehicle weight of 3,000 pounds or less, excluding recreational vehicles, must display a distinctive plate. The registration on the license plate is valid for the life of the trailer only if it remains registered at the same gross vehicle weight. The onetime registration tax for trailers registered for the first time in Minnesota is \$55. For trailers registered in Minnesota before July 1, 2001, and for which:

(1) registration is desired for the remaining life of the trailer, the registration tax is \$25; or

(2) permanent registration is not desired, the biennial registration tax is \$10 for the first renewal if registration is renewed between and including July 1, 2001, and June 30, 2003. These trailers must be issued permanent registration at the first renewal on or after July 1, 2003, and the registration tax is \$20.

For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001, but not renewed until on or after July 1, 2003, the registration tax is \$20 and permanent registration must be issued.

Sec. 7. Minnesota Statutes 2022, section 168.0135, is amended by adding a subdivision to read:

Subd. 2a. **Limitations.** (a) A vendor must not have an ownership interest with a deputy registrar or a driver's license agent.

(b) A vendor is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

(c) An entity that owns, leases, or otherwise provides a location where a self-service kiosk is placed is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent. This paragraph does not apply to a deputy registrar or a driver's license agent appointed prior to placement of a self-service kiosk within the office of the deputy registrar or driver's license agent.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 168.1235, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) The commissioner ~~shall~~ must issue a special plate emblem for each plate to an applicant who:

(1) is a member of a congressionally chartered veterans service organization and is a registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle, or is a congressionally chartered veterans service organization that is the registered owner of a passenger automobile, pickup truck, van, or self-propelled recreational vehicle;

(2) pays the registration tax required by law;

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

(4) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

(b) The additional fee is payable at the time of initial application for the special plate emblem and when the plates must be replaced or renewed. ~~An applicant must not be issued more than two sets of special plate emblems for motor vehicles listed in paragraph (a) and registered to the applicant.~~

(c) The applicant must present a valid card indicating membership in the American Legion, Veterans of Foreign Wars, or Disabled American Veterans.

Sec. 9. Minnesota Statutes 2022, section 168.33, subdivision 8a, is amended to read:

Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic transmission of a motor vehicle transfer and registration by a new or used motor vehicle dealer, a deputy registrar who is equipped with electronic transmission technology and trained in its use ~~shall~~ must receive the filing fee provided for in subdivision 7 and review the transfer of each new or used motor vehicle to determine its genuineness and regularity before issuance of a certificate of title, and ~~shall~~ must receive and retain the filing fee under subdivision 7, paragraph (a), clause (2).

(b) The commissioner must establish reasonable performance, security, technical, and financial standards to approve companies that provide computer software and services to motor vehicle dealers to electronically transmit vehicle title transfer and registration information. An approved company must be offered access to department facilities, staff, and technology on a fair and reasonable basis. An approved company must not have an ownership interest with a deputy registrar or a driver's license agent. An approved company is not eligible to be appointed by the commissioner as a deputy registrar or a driver's license agent.

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

Sec. 10. Minnesota Statutes 2022, section 168A.085, is amended by adding a subdivision to read:

Subd. 4. **Foreign passport.** A valid and unexpired passport issued to the applicant by a recognized foreign government is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when the applicant is an individual who is applying as the owner for a vehicle title or registration.

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

Sec. 11. Minnesota Statutes 2022, section 168B.035, subdivision 3, is amended to read:

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

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

(2) the vehicle is at a parking meter on which the time has expired ~~and the vehicle has fewer than five unpaid parking tickets.~~

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

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

- (2) the vehicle is parked in a rush-hour restricted parking area;
- (3) the vehicle is blocking a driveway, alley, or fire hydrant;
- (4) the vehicle is parked in a bus lane, or at a bus stop, during hours when parking is prohibited;
- (5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;
- (6) the vehicle is parked in a disability transfer zone or disability parking space without a disability parking certificate or disability license plates;
- (7) the vehicle is parked in an area that has been posted for temporary restricted parking (i) at least 12 hours in advance in a home rule charter or statutory city having a population under 50,000, or (ii) at least 24 hours in advance in another political subdivision;
- (8) the vehicle is parked within the right-of-way of a controlled-access highway or within the traveled portion of a public street when travel is allowed there;
- (9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;
- (10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the Metropolitan Airports Commission;
- (11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;
- (12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;
- (13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses;
- (14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;
- (15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle;
- (16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking; or
- (17) the vehicle is a junk, abandoned, or unauthorized vehicle, as defined in section 168B.011, and subject to immediate removal under this chapter.

Sec. 12. Minnesota Statutes 2022, section 169.09, subdivision 5, is amended to read:

Subd. 5. **Notify owner of damaged property.** If the driver of any vehicle involved in a collision knows or has reason to know the collision resulted only in damage to fixtures legally upon or adjacent to a street or highway, the driver ~~shall~~ must:

(1) take reasonable steps to locate and notify the owner or person in charge of the property of that fact the collision, of the driver's name and address, and of the registration license plate number of the vehicle being driven and shall must, upon request and if available, exhibit the driver's license; and make an accident report in every case; and

(2) report the information required in clause (1) to a peace officer.

Sec. 13. Minnesota Statutes 2023 Supplement, section 169.09, subdivision 8, is amended to read:

**Subd. 8. Officer to report accident to commissioner.** ~~A peace officer who, in the regular course of duty, investigates an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report of the accident as prescribed by the commissioner of public safety. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident using an electronic format as prescribed by the commissioner (a) A peace officer who investigates in the regular course of duty an accident that is required to be reported under this section must submit an electronic or written report of the accident to the commissioner of public safety within ten days after the date of the accident. Within two business days after identification of a fatality that resulted from an accident, the reporting agency must notify the commissioner of the basic circumstances of the accident. A report or notification under this subdivision must be in the format as prescribed in subdivision 9.~~

(b) Accidents on streets, highways, roadways, sidewalks, shoulders, shared use paths, or any other portion of a road's public right-of-way must be reported under the requirements of this section if the accident results in:

(1) a fatality;

(2) bodily injury to a person who, because of the injury, immediately receives medical treatment away from or at the scene of the accident;

(3) one or more of the motor vehicles incurring disabling damage that requires a vehicle to be transported away from the scene of the accident by tow truck or other vehicle; or

(4) damage to fixtures, infrastructure, or any other property alongside or on a public highway.

(c) An accident involving a school bus, as defined in section 169.011, subdivision 71, must be reported under the requirements of this section and section 169.4511.

(d) An accident involving a commercial motor vehicle, as defined in section 169.781, subdivision 1, paragraph (a), must be reported under the requirements of this section and section 169.783.

(e) Accidents occurring on public lands or trail systems that result in the circumstances specified in paragraph (c) must be reported under the requirements of this section.

Sec. 14. Minnesota Statutes 2022, section 169.09, subdivision 14a, is amended to read:

**Subd. 14a. Suspension of license for failure to report accident.** The commissioner may suspend the license, or any nonresident's operating privilege, of any person driver who willfully fails, refuses,

or neglects to make report of a traffic accident as required ~~by the laws of this state~~ under this section. A license suspension under this section is subject to the notice requirements of section 171.18, subdivision 2.

Sec. 15. Minnesota Statutes 2022, section 169.09, subdivision 19, is amended to read:

Subd. 19. **Terminology.** (a) The provisions of this section apply equally whether the term "accident" or "collision" is used. The term "accident" or "collision" does not include:

(1) an occurrence involving only boarding and alighting from a stationary motor vehicle;

(2) an occurrence involving only the loading or unloading of cargo; or

(3) intentional vehicle-to-vehicle contact when initiated by a peace officer:

(i) to stop a perpetrator from fleeing in a motor vehicle, as defined in section 609.487, subdivision 3; or

(ii) as an authorized use of force, as defined in section 609.06, subdivision 1; 609.065; or 609.066.

(b) For purposes of this section, "disabling damage" means damage that prevents a motor vehicle from departing the scene of the accident in its usual manner in daylight after simple repairs. Disabling damage includes damage to a motor vehicle that could be driven from the scene of the accident but would be further damaged if so driven. Disabling damage does not include:

(1) damage that can be remedied temporarily at the scene of the accident without special tools or parts;

(2) tire disablement without other damage, even if no spare tire is available;

(3) headlamp or taillight damage; or

(4) damage that makes the turn signals, horn, or windshield wipers inoperable.

(c) For purposes of this section, motor vehicle includes off-highway vehicles, as defined in section 84.771, and snowmobiles, as defined in section 84.81.

Sec. 16. Minnesota Statutes 2022, section 169.224, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

(b) A person may operate a three-wheeled neighborhood electric vehicle without a ~~two-wheeled vehicle~~ motorcycle endorsement, provided the person has a valid driver's license issued under chapter 171.

Sec. 17. Minnesota Statutes 2022, section 169.4503, subdivision 31, is amended to read:

Subd. 31. **Supplemental warning system; temporary authority.** ~~(a) Prior to August 1, 2022, the commissioner may approve a Type A, B, C, or D school bus to~~ buses may be equipped with a

supplemental warning system. ~~On and after that date, a school bus may continue to be equipped with a previously approved supplemental warning system.~~

~~(b) To determine approval of a supplemental warning system, the commissioner must consider~~  
A supplemental warning system must:

~~(1) use amber and red signal colors, which are limited to one or more of the colors white, amber, and red;~~

~~(2) flashing patterns use supplemental amber warning lights activated only in conjunction with activated overhead amber warning lights and supplemental red warning lights activated only in conjunction with activated overhead red flashing lights;~~

~~(3) vehicle mounting and placement;~~

~~(4) supplemental warning system activation~~ (3) be wired so the supplemental warning system is automatically activated in conjunction with activation of prewarning flashing amber signals, stop-signal arm, and flashing red signals;

~~(5) light intensity~~ (4) be programmed to flash either:

(i) using a randomized flash pattern; or

(ii) alternating with the corresponding overhead light at a rate of 60 to 120 flashes per minute;  
and

~~(6) permissible text, signage, and graphics, if any~~ (5) use lights installed in pairs and mounted on the same level and placed as wide as practicable on the body above the bumper level.

~~(e) The commissioner must review relevant research findings and experience in other jurisdictions, and must consult with interested stakeholders, including but not limited to representatives from school district pupil transportation directors, private school bus operators, and pupil transportation and traffic safety associations.~~

Sec. 18. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 3a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Booster seat" means a child passenger restraint system that meets applicable federal motor vehicle safety standards and is designed to provide belt-positioning that elevates a child to be properly seated with a safety belt.

(c) "Child passenger restraint system" means a device that:

(1) meets applicable federal motor vehicle safety standards of the United States Department of Transportation and complies with any other applicable federal regulations;

(2) is designed to restrain, seat, or position children; and

(3) is appropriate to the age of the child being restrained.

Child passenger restraint system includes a booster seat.

(d) "Properly restrained" means restrained or secured according to the instructions of both the motor vehicle manufacturer and the child passenger restraint system manufacturer.

(e) "Secured with a safety belt" means restrained or secured by a seat belt that (1) meets applicable federal motor vehicle safety standards, and (2) is properly adjusted and fastened, including both the shoulder and lap straps when equipped in the vehicle.

Sec. 19. Minnesota Statutes 2022, section 169.685, subdivision 4, is amended to read:

Subd. 4. **Admissibility into evidence.** (a) Except as provided in paragraph (b), proof of the use or failure to use seat belts or a child passenger restraint system as described in subdivision ~~5~~ 4a, or proof of the installation or failure of installation of seat belts or a child passenger restraint system as described in subdivision ~~5~~ shall not be 4a is not admissible in evidence in any litigation involving personal injuries or property damage resulting from the use or operation of any motor vehicle.

(b) Paragraph (a) does not affect the right of a person to bring an action for damages arising out of an incident that involves a defectively designed, manufactured, installed, or operating seat belt or child passenger restraint system. Paragraph (a) does not prohibit the introduction of evidence pertaining to the use of a seat belt or child passenger restraint system in an action described in this paragraph.

Sec. 20. Minnesota Statutes 2022, section 169.685, is amended by adding a subdivision to read:

Subd. 4a. **Child passenger restraint systems.** (a) Except as provided in paragraph (c), every driver in this state who transports a child or children under the age of 18 years in a motor vehicle that is in motion or a part of traffic and is required under federal motor vehicle safety standards to be equipped with a safety belt or lower anchors and tethers for children in a passenger seating position must have the child or children secured as follows:

(1) a child who is younger than two years of age must be properly restrained in a rear-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(2) a child who is at least two years of age and exceeds the rear-facing weight or height limit of the child passenger restraint system must be properly restrained in a forward-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;

(3) a child who is at least four years of age and exceeds the weight or height limit of the forward-facing child passenger restraint system must be properly restrained in a booster seat and secured with a safety belt;

(4) a child who is at least nine years of age or exceeds the weight or height limit of the child passenger restraint system or the booster seat must be secured with a safety belt adjusted and fastened around the child's body to fit correctly. The safety belt fits correctly when the child sits all the way

back against the vehicle seat, the child's knees bend over the edge of the vehicle seat, the lap strap fits snugly across the child's thighs and lower hips and not the child's abdomen, and the shoulder strap snugly crosses the center of the child's chest and not the child's neck;

(5) a child who is younger than 13 years of age must be transported in the rear seat of a motor vehicle, when available, and must be properly restrained in a child passenger restraint system or booster seat or secured with a safety belt; and

(6) a child who, because of age or weight, can be placed in more than one category under this paragraph must be placed in the more protective category, where clause (1) provides for the most protective and clause (5) provides for the least protective.

(b) The driver of a motor vehicle transporting a child who is younger than six years of age or weighs less than 60 pounds must transport the child in a rear seat if:

(1) the vehicle is equipped with a passenger side air bag supplemental restraint system;

(2) the air bag system is activated; and

(3) a rear seat is available.

(c) When the number of children in the motor vehicle under 13 years of age exceeds the number of age- or size-appropriate child passenger restraint systems and safety belts available in the motor vehicle, the unrestrained children must be seated in a rear seat, if rear seats are available.

(d) The weight and height limits of a child passenger restraint system under this subdivision are as established by the child passenger restraint system manufacturer.

Sec. 21. Minnesota Statutes 2022, section 169.685, subdivision 5, is amended to read:

**Subd. 5. Violation; petty misdemeanor.** ~~(a) Every motor vehicle operator, when transporting a child who is both under the age of eight and shorter than four feet nine inches on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.~~

~~(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child who is both under the age of eight and shorter than four feet nine inches in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision 4a is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.~~

~~(c)~~ (b) At the time of issuance of a citation under this subdivision, a peace officer may provide to the violator information on obtaining a free or low-cost child passenger restraint system.



~~(d)~~ (c) The fines collected for violations of this subdivision must be deposited in the ~~state treasury~~ and credited to a special account to be known as the Minnesota child passenger restraint and education account.

~~(e) For the purposes of this section, "child passenger restraint system" means any device that meets the standards of the United States Department of Transportation; is designed to restrain, seat, or position children; and includes a booster seat.~~

Sec. 22. Minnesota Statutes 2022, section 169.801, subdivision 7, is amended to read:

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if:

(1) it is for the purpose of avoiding an obstacle on the right-hand side of the road and:

(i) crosses the center line for as brief a period of time as necessary to avoid the obstacle;

(ii) returns back to the right half of the roadway immediately after passing the obstacle and when safe to do so;

(iii) no other vehicles are approaching from the opposite direction such that the approaching vehicle would be within the immediate vicinity of the implement before the implement returns to the right-hand side of the road; and

(iv) the operation does not extend into the left half of the roadway more than necessary; or

(2) it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

(c) An implement of husbandry, when operating in compliance with the requirements of this section and under paragraph (b), is not subject to the escort requirements in section 169.812, subdivision 2.

Sec. 23. Minnesota Statutes 2022, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) ~~No person shall~~ A person must not operate a motorcycle on any street or highway without having a valid driver's license with a two-wheeled vehicle motorcycle endorsement as provided by law. A person may operate an autocycle without a two-wheeled vehicle motorcycle endorsement, provided the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle motorcycle endorsement only if the applicant~~ (1) has in possession a valid ~~two-wheeled vehicle motorcycle instruction permit as provided in paragraph (c),~~ (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved ~~two-wheeled vehicle motorcycle driver's safety course in this or another state, in accordance~~

with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a ~~two-wheeled vehicle~~ motorcycle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety ~~shall~~ must issue a ~~two-wheeled vehicle~~ motorcycle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved ~~two-wheeled vehicle~~ motorcycle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A ~~two-wheeled vehicle~~ motorcycle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) ~~No~~ A person who is operating by virtue of a ~~two-wheeled vehicle~~ motorcycle instruction permit ~~shall~~ must not:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

(3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 24. Minnesota Statutes 2022, section 169A.52, subdivision 7, is amended to read:

**Subd. 7. Test refusal; driving privilege lost.** (a) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.08 or more.

(b) On behalf of the commissioner, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more.

(c) The officer shall:

(1) invalidate the person's driver's license or permit card ~~by clipping the upper corner of the card in such a way that no identifying information including the photo is destroyed, and immediately return the card to the person;~~

(2) issue the person a temporary license effective for only seven days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 3 or 4.

Sec. 25. Minnesota Statutes 2022, section 171.01, subdivision 41a, is amended to read:

Subd. 41a. **Noncompliant license; noncompliant identification card.** "Noncompliant license," "noncompliant identification card," or "noncompliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (b). Unless provided otherwise, noncompliant license includes an appropriate instruction permit, provisional license, and restricted license.

Sec. 26. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to read:

Subd. 45c. **REAL ID compliant license; REAL ID compliant identification card.** "REAL ID compliant license," "REAL ID compliant identification card," or "REAL ID compliant license or identification card," means a driver's license or a Minnesota identification card issued under section 171.019, subdivision 2, paragraph (a). Unless provided otherwise, REAL ID compliant license includes an appropriate instruction permit, provisional license, and restricted license.

Sec. 27. Minnesota Statutes 2022, section 171.01, subdivision 47, is amended to read:

Subd. 47. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States, including a United States military base located on foreign soil.

Sec. 28. Minnesota Statutes 2022, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. ~~Two-wheeled vehicle~~ **Motorcycle endorsement fee.** (a) In addition to the appropriate fee under subdivision 2, the fee for a ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license is:

(1) \$26.50 for an initial endorsement or a duplicate license obtained for the purpose of adding the endorsement; and

(2) \$17 for each license renewal with the endorsement.

(b) The additional fee must be paid into the state treasury and credited as follows:

(1) \$19 of the additional fee under paragraph (a), clause (1), and \$11 of the additional fee under paragraph (a), clause (2), to the motorcycle safety fund, which is hereby created; and

(2) the remainder to the general fund.

(c) All application forms prepared by the commissioner for ~~two-wheeled vehicle~~ motorcycle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

Sec. 29. Minnesota Statutes 2023 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) ~~as may be required by the commissioner,~~ contain a description of the applicant ~~and any other facts pertaining to the applicant, including the applicant's height in feet and inches, weight in pounds, eye color, and sex; the applicant's driving privileges;~~ and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant elects not to specify a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7;

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under subdivision 3b, paragraph (e);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c;

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b;

(v) indicate the applicant's race and ethnicity; and

(vi) indicate caretaker information as provided under section 171.12, subdivision 5c; and

(6) meet the requirements under section 201.161, subdivision 3.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for ~~driver's~~ drivers' licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

~~(d) A valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.~~

~~(e)~~ (d) An application form must not provide for identification of (1) the accompanying documents used by an applicant to demonstrate identity, or (2) except as provided in paragraphs (b) and (c), the applicant's citizenship, immigration status, or lawful presence in the United States. The commissioner and a driver's license agent must not inquire about an applicant's citizenship, immigration status, or lawful presence in the United States, except as provided in paragraphs (b) and (c).

(e) A Minnesota driver's license, permit, or identification card must be issued only to an individual who has a residence address in the state at the time of the application. Applications for an enhanced driver's license or enhanced identification card must include proof of residency in accordance with section 171.063, subdivision 6. An individual may only have one residence address where the individual is domiciled at any particular time. The residence address of the individual is presumed to continue until the contrary is shown. The applicant must provide the following information about the residence address: residence number, street name, street type, directional, city or town, state, and zip code.

Sec. 30. Minnesota Statutes 2022, section 171.0605, subdivision 2, is amended to read:

Subd. 2. **Evidence; identity; date of birth.** (a) Only the following is satisfactory evidence of an applicant's identity and date of birth under section 171.06, subdivision 3, paragraph (b):

(1) a driver's license or identification card that:

(i) complies with all requirements of the REAL ID Act;

(ii) is not designated as temporary or limited term; and

(iii) is current or has been expired for five years or less;

(2) a valid, unexpired United States passport, including a passport booklet or passport card, issued by the United States Department of State;

(3) a certified copy of a birth certificate issued by a government bureau of vital statistics or equivalent agency in the applicant's state of birth, which must bear the raised or authorized seal of the issuing government entity;

(4) a consular report of birth abroad, certification of report of birth, or certification of birth abroad, issued by the United States Department of State, Form FS-240, Form DS-1350, or Form FS-545;

(5) a valid, unexpired permanent resident card issued by the United States Department of Homeland Security or the former Immigration and Naturalization Service of the United States Department of Justice, Form I-551. If the Form I-551 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

(6) a foreign passport with an unexpired temporary I-551 stamp or a temporary I-551 printed notation on a machine-readable immigrant visa with a United States Department of Homeland Security admission stamp within the validity period;

(7) a United States Department of Homeland Security Form I-94 or Form I-94A with a photograph and an unexpired temporary I-551 stamp;

(8) a United States Department of State Form DS-232 with a United States Department of Homeland Security admission stamp and validity period;

~~(6)~~ (9) a certificate of naturalization issued by the United States Department of Homeland Security, Form N-550 or Form N-570;

~~(7)~~ (10) a certificate of citizenship issued by the United States Department of Homeland Security, Form N-560 or Form N-561;

~~(8)~~ (11) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766 or Form I-688B. If the Form I-766 validity period has been automatically extended by the United States Department of Homeland Security, it is deemed unexpired, regardless of the expiration date listed;

~~(9)~~ (12) a valid, unexpired passport issued by a foreign country and a valid, unexpired United States visa accompanied by documentation of the applicant's most recent lawful admittance into the United States;

~~(10)~~ (13) a document as designated by the United States Department of Homeland Security under Code of Federal Regulations, title 6, part 37.11 (c)(1)(x);

~~(11)~~ (14) a copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

~~(12)~~ (15) a certified copy of a court order that specifies the applicant's name change; or

~~(13)~~ (16) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court.

(b) A document under paragraph (a) must be legible and unaltered.

Sec. 31. Minnesota Statutes 2023 Supplement, section 171.0605, subdivision 5, is amended to read:

Subd. 5. **Evidence; residence in Minnesota.** (a) Submission of two forms of documentation from the following is satisfactory evidence of an applicant's principal residence address in Minnesota under section 171.06, subdivision 3, paragraph (b):

- (1) a home utility services bill issued no more than 12 months before the application;
- (2) a home utility services hook-up work order issued no more than 12 months before the application;
- (3) United States bank or financial information issued no more than 12 months before the application, with account numbers redacted, including:
  - (i) a bank account statement;
  - (ii) a credit card or debit card statement;
  - (iii) a brokerage account statement;
  - (iv) a money market account statement;
  - (v) a Health Savings Account statement; or
  - (vi) a retirement account statement;
- (4) a certified transcript from a United States high school, if issued no more than 180 days before the application;
- (5) a certified transcript from a Minnesota college or university, if issued no more than 180 days before the application;
- (6) a student summary report from a United States high school signed by a school principal or designated authority and issued no more than 180 days before the application;
- (7) an employment pay stub issued no more than 12 months before the application that lists the employer's name and address;
- (8) a Minnesota unemployment insurance benefit statement issued no more than 12 months before the application;
- (9) a statement from an assisted living facility licensed under chapter 144G, nursing home licensed under chapter 144A, or a boarding care facility licensed under sections 144.50 to 144.56, that was issued no more than 12 months before the application;
- (10) a current policy or card for health, automobile, homeowner's, or renter's insurance;
- (11) a federal or state income tax return for the most recent tax filing year;
- (12) a Minnesota property tax statement for the current or prior calendar year or a proposed Minnesota property tax notice for the current year that shows the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

- (13) a Minnesota vehicle certificate of title;
- (14) a filed property deed or title for current residence;
- (15) a Supplemental Security Income award statement issued no more than 12 months before the application;
- (16) mortgage documents for the applicant's principal residence;
- (17) a residential lease agreement for the applicant's principal residence issued no more than 12 months before the application;
- (18) an affidavit of residence for an applicant whose principal residence is a group home, communal living arrangement, cooperative, or a religious order issued no more than 90 days before the application;
- (19) an assisted living or nursing home statement issued no more than 90 days before the application;
- (20) a valid driver's license, including an instruction permit, issued under this chapter;
- (21) a valid Minnesota identification card;
- (22) an unexpired Minnesota professional license;
- (23) an unexpired Selective Service card;
- (24) military orders that are still in effect at the time of application;
- (25) a cellular phone bill issued no more than 12 months before the application; or
- (26) a valid license issued pursuant to the game and fish laws.

(b) In lieu of one of the two documents required by paragraph (a), an applicant under the age of 18 may use a parent or guardian's proof of principal residence as provided in this paragraph. The parent or guardian of the applicant must provide a document listed under paragraph (a) that includes the parent or guardian's name and the same address as the address on the document provided by the applicant. The parent or guardian must also certify that the applicant is the child of the parent or guardian and lives at that address.

(c) A document under paragraph (a) must include the applicant's name and principal residence address in Minnesota.

(d) For purposes of this ~~section subdivision~~, Internet service and cable service are utilities ~~under this section and Minnesota Rules, part 7410.0410, subpart 4a.~~

Sec. 32. Minnesota Statutes 2022, section 171.0605, subdivision 6, is amended to read:

Subd. 6. **Exceptions process.** (a) The commissioner may grant a variance from the requirements of this section as provided under Minnesota Rules, part 7410.0600, or successor rules, for evidence of:



- (1) identity or date of birth under subdivision 2;
- (2) lawful status under subdivision 3, only for demonstration of United States citizenship; and
- (3) ~~Social Security number under subdivision 4; and~~
- ~~(4)~~ residence in Minnesota under subdivision 5.

(b) The commissioner must not grant a variance for an applicant having a lawful temporary admission period.

Sec. 33. [171.062] EVIDENCE OF IDENTITY; NONCOMPLIANT CREDENTIALS.

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

(b) "Court" includes a foreign court of competent jurisdiction.

(c) "Foreign" means a jurisdiction that is not, and is not within, the United States, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, or a territory of the United States.

Subd. 2. Evidence of identity. For a noncompliant license or identification card, an applicant must submit:

(1) a Minnesota driver's license or identification card that is current or has been expired:

(i) for five years or less with a color photograph or electronically produced or digitized image;

or

(ii) for one year or less without a color photograph or electronically produced or digitized image;

or

(2) if the applicant cannot present a credential under clause (1), either:

(i) one primary document under subdivision 4 and one secondary document under subdivision 5; or

(ii) two primary documents under subdivision 4.

Subd. 3. General requirements. (a) A document submitted under this section must include the applicant's name and must be:

(1) issued to or provided for the applicant;

(2) legible and unaltered;

(3) an original or a copy certified by the issuing agency or by a court; and

(4) accompanied by a certified translation or an affidavit of translation into English, if the document is not in English.

(b) If the applicant's current legal name is different from the name on a document submitted under subdivision 2 or 3, the applicant must submit:

(1) a certified copy of a court order that specifies the applicant's name change;

(2) a certified copy of the applicant's certificate of marriage;

(3) a certified copy of a divorce decree or dissolution of marriage that specifies the applicant's name change, issued by a court; or

(4) similar documentation of a lawful change of name, as determined by the commissioner.

(c) A form issued by a federal agency that is specified under this section includes any subsequent form or version.

(d) The commissioner must establish a process to grant a waiver from the requirements under this section.

(e) The same document must not be submitted as both a primary document and a secondary document.

Subd. 4. **Primary documents.** (a) For purposes of a noncompliant driver's license or identification card, a primary document includes:

(1) a copy of the applicant's record of birth, or an original certificate of birth that is in the files of the applicable bureau or board under item (iii) and can be readily viewed by the official accepting the application, certified by the issuing state that:

(i) is not issued by a hospital and is not a baptismal certificate;

(ii) bears the raised or authorized seal of the issuing government jurisdiction or a protective equivalent; and

(iii) is issued by:

(A) a government bureau of vital statistics or community health board;

(B) the United States Department of State as a Record of Birth Abroad, Form FS-545 or Form DS-1350; or

(C) a United States embassy as a Consular Report of Birth Abroad, Form FS-240;

(2) a certified copy of an adoption certificate with the applicant's full name and date of birth from a United States court of competent jurisdiction that bears the raised court seal or other court certification;

(3) an unexpired identification card issued to the applicant by the United States Department of Defense for active duty, reserve, or retired military personnel, Form DD-2 or Common Access Card;

(4) a valid, unexpired passport issued to the applicant by the United States Department of State;

(5) a Canadian birth certificate or Canadian naturalization certificate;

(6) one of the following documents issued by the United States Department of Justice or the United States Department of Homeland Security or any subsequent form or version of the documents:

(i) Certificate of Naturalization, Form N-550, Form N-570, or Form N-578;

(ii) Certificate of Citizenship, Form N-560, Form N-561, or Form N-645;

(iii) United States Citizen Identification card, Form I-179 or Form I-197;

(iv) valid, unexpired Permanent Resident or Resident Alien card, Form I-551 or Form I-151;

(v) Northern Mariana card, Form I-873, with "Northern Mariana" imprinted instead of "Resident Alien";

(vi) American Indian card, Form I-872, with "American Indian" imprinted instead of "Resident Alien";

(vii) unexpired employment authorization document with a photograph, Form I-688, Form I-688A, Form I-688B, or Form I-766; or

(viii) unexpired Re-entry Permit/Refugee Travel Document, Form I-571;

(7) an unexpired passport or a consular identification document that bears a photograph of the applicant;

(8) a certified birth certificate issued by a foreign jurisdiction; and

(9) a certified adoption certificate issued by a foreign jurisdiction that includes the applicant's name and date of birth.

(b) A document submitted under this subdivision must contain security features that make the document as impervious to alteration as is reasonably practicable in its design and quality of material and technology.

(c) Submission of more than one primary document is not required under this subdivision.

Subd. 5. **Secondary documents.** (a) For purposes of a noncompliant driver's license or identification card, a secondary document includes:

(1) a second primary document listed under subdivision 2, paragraph (a);

(2) a driver's license, identification card, or permit, with a photograph or digitized image, issued by a United States state other than Minnesota or a foreign jurisdiction and that is current or has expired no more than five years before the application;

(3) a certified copy of a court order or judgment from a United States or Canadian court of competent jurisdiction containing the applicant's full name and date of birth and bearing the raised court seal or other court certification;

(4) a current United States or Canadian government jurisdiction employee photo identification card;

(5) a certified copy of a record of birth issued by a government jurisdiction other than one in the United States, the District of Columbia, Guam, Puerto Rico, or the United States Virgin Islands;

(6) a current identification card or document issued to the applicant by the United States Department of Defense, described as:

(i) DD Form 1173 series, for dependents of active duty personnel; or

(ii) DD Form 214, Certificate of Release or Discharge from Active Duty;

(7) a copy of a marriage certificate certified by the issuing government jurisdiction or the original certificate only if it is in the files of the issuing jurisdiction and can be readily viewed by the official accepting the application;

(8) an unexpired permit to carry a firearm or concealed weapon bearing a color photo of the applicant issued by a chief of police in an organized, full-time United States police department or by a United States county sheriff;

(9) a current pilot's license issued by the United States Department of Transportation, Federal Aviation Administration;

(10) a copy of a transcript containing the applicant's full legal name and date of birth certified by the issuing secondary or postsecondary school;

(11) a United States nonmetal Social Security card or a Canadian social insurance card;

(12) a current secondary school student identification card with the student's name, a photograph or electronically produced image of the student, and the student's date of birth or unique student identification number;

(13) a notice of action on or proof of submission of a completed Application for Asylum and for Withholding of Removal issued by the United States Department of Homeland Security, Form I-589;

(14) a Certificate of Eligibility for Nonimmigrant Student Status issued by the United States Department of Homeland Security, Form I-20;

(15) a Certificate of Eligibility for Exchange Visitor (J-1) Status issued by the United States Department of State, Form DS-2019;

(16) a Deferred Action for Childhood Arrival approval notice issued by the United States Department of Homeland Security;

(17) an employment authorization document issued by the United States Department of Homeland Security, Form I-688, Form I-688A, Form I-688B, or Form I-766;

(18) a document issued by the Internal Revenue Service with an individual taxpayer identification number;

(19) a Social Security card;

(20) a Supplemental Security Income award statement;

(21) a Selective Service card;

(22) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate;

(23) a Minnesota unemployment insurance benefit statement;

(24) a valid identification card for health benefits or an assistance or social services program;

(25) a Minnesota vehicle certificate of title;

(26) mortgage documents for the applicant's residence;

(27) a filed property deed or title for the applicant's residence;

(28) a Minnesota property tax statement or a proposed Minnesota property tax notice;

(29) a certified copy of a divorce decree or dissolution of marriage issued by a court that specifies the applicant's name or name change;

(30) a valid Department of Corrections or Federal Bureau of Prisons identification card containing the applicant's full name, date of birth, and photograph; and

(31) any of the following documents issued by a foreign jurisdiction:

(i) a driver's license that is current or has been expired for no more than five years before the application;

(ii) a high school, college, or university student identification card with a certified transcript from the school;

(iii) an official high school, college, or university transcript that includes the applicant's date of birth and a photograph of the applicant at the age the record was issued;

(iv) a federal electoral card that contains the applicant's photograph issued on or after January 1, 1991;

(v) a certified copy of the applicant's certificate of marriage; and

(vi) a certified copy of a court order or judgment from a court of competent jurisdiction that contains the applicant's name and date of birth.

(b) Submission of more than one secondary document is not required under this subdivision.

Subd. 6. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the primary or secondary documents submitted under this section. Verification is required if:

- (1) the document provided by the applicant is inconsistent with the department record;
- (2) the document provided by the applicant appears to be altered or fraudulent; or
- (3) there is reason to believe the applicant is not who the applicant claims to be.

**Sec. 34. [171.063] EVIDENCE OF IDENTITY FOR ENHANCED CREDENTIALS.**

Subdivision 1. **Date of birth.** As proof satisfactory of date of birth, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

- (1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;
- (2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;
- (3) valid, unexpired United States passport or United States passport card;
- (4) Certificate of Naturalization, Form N-550 or Form N-570;
- (5) Certificate of Citizenship, Form N-560 or Form N-561;
- (6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements of section 171.072; or
- (7) United States military photo identification card issued to active duty, reserve, or retired military personnel.

Subd. 2. **Full legal name.** As proof satisfactory of full legal name, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents that was not also presented for proof of photographic identity under subdivision 4:

- (1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;
- (2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;
- (3) valid, unexpired United States passport or United States passport card;
- (4) Certificate of Naturalization, Form N-550 or Form N-570;
- (5) Certificate of Citizenship, Form N-560 or Form N-561;
- (6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements of section 171.072;

(7) United States military photo identification card issued to active duty, reserve, or retired military personnel;

(8) federal or Minnesota income tax form W-2;

(9) federal or Minnesota income tax form SSA-1099;

(10) non-SSA federal or Minnesota income tax form 1099;

(11) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(12) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(13) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(14) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(15) federal or state income tax return or statement for the most recent tax filing year;

(16) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(17) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(18) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(19) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(20) valid Minnesota driver's license, valid Minnesota identification card, or valid permit;

(21) unexpired Minnesota professional license;

(22) unexpired Selective Service card;

(23) military orders that are still in effect at the time of the application;

(24) copy of the applicant's certificate of marriage certified by the issuing government jurisdiction;

(25) certified copy of a court order specifying a name change; or

(26) certified copy of a divorce decree or dissolution of marriage granted to the applicant that specifies a name change requested from a court of competent jurisdiction.

Subd. 3. **Social Security number.** As proof satisfactory of Social Security number, an applicant for an enhanced driver's license or an enhanced identification card must present the applicant's original Social Security card or one of the following:

- (1) federal or Minnesota income tax form W-2;
- (2) federal or Minnesota income tax form SSA-1099;
- (3) non-SSA federal or Minnesota income tax form 1099; or
- (4) United States employment computer-printed pay stub containing the applicant's name, address, and full Social Security number.

Subd. 4. **Photographic identity.** As proof satisfactory of photographic identity, an applicant for an enhanced driver's license or an enhanced identification card must present one of the following documents:

- (1) valid Minnesota driver's license, identification card, or permit;
- (2) valid driver's license, identification card, or permit issued by another United States state, including the District of Columbia and any United States territory;
- (3) United States military identification card issued to active duty, reserve, or retired military personnel;
- (4) United States military dependent identification card;
- (5) valid, unexpired United States passport or United States passport card;
- (6) American Indian card, Form I-872, or Minnesota Tribal identification card that meets the requirements under section 171.072;
- (7) valid city, county, state, or federal employee identification card;
- (8) United States high school identification card with a certified transcript from the same school, both issued no more than 180 days before the application;
- (9) United States college or university identification card with a certified transcript from the same college or university, both issued no more than 180 days before the application; or
- (10) veterans universal access identification card.

Subd. 5. **United States citizenship.** As proof satisfactory of United States citizenship, an applicant for an enhanced driver's license or enhanced identification card must present one of the following documents:

- (1) original or certified copy of a United States or United States territory birth certificate that bears the raised or authorized seal of the issuing jurisdiction or a protective equivalent;
- (2) United States Department of State Consular Report of Birth Abroad, Form FS-240, Form DS-1350, or Form FS-545;



(3) valid, unexpired United States passport or United States passport card;

(4) Certificate of Naturalization, Form N-550 or Form N-570; or

(5) Certificate of Citizenship, Form N-560 or Form N-561.

Subd. 6. **Residency.** (a) As proof satisfactory of residency, an applicant for an enhanced driver's license or enhanced identification card must present two different forms of the following documents that list the applicant's name and address:

(1) United States home utility services bill that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility bill if two unrelated people are listed on the bill;

(2) United States home utility services hook-up work order that is issued no more than 90 days before the application. The commissioner must not accept a United States home utility services hook-up work order if two unrelated people are listed on the work order;

(3) United States financial information with account numbers redacted that is issued no more than 90 days before the application, including a:

(i) bank account statement;

(ii) canceled check; or

(iii) credit card statement;

(4) United States high school identification card with a certified transcript from the same school if issued no more than 180 days before the application;

(5) United States college or university identification card with a certified transcript from the same college or university if issued no more than 180 days before the application;

(6) United States employment pay stub that lists the employer's name, address, and telephone number that is issued no more than 90 days before the application;

(7) Minnesota unemployment insurance benefit statement issued no more than 90 days before the application;

(8) assisted living or nursing home statement that is issued no more than 90 days before the application;

(9) life, health, automobile, homeowner's, or renter's insurance policy that is issued no more than 90 days before the application. The commissioner must not accept a proof of insurance card;

(10) federal or state income tax return or statement for the most recent tax filing year;

(11) Minnesota property tax statement for the current year that reflects the applicant's principal residential address both on the mailing portion and the portion stating what property is being taxed;

(12) Minnesota vehicle certificate of title if issued no more than 12 months before the application;

(13) filed property deed or title for the applicant's current residence if issued no more than 12 months before the application;

(14) Supplemental Security Income award statement that is issued no more than 12 months before the application;

(15) mortgage documents for the applicant's principal residence;

(16) residential lease agreement for the applicant's principal residence that is issued no more than 12 months before the application;

(17) valid Minnesota driver's license, identification card, or permit;

(18) unexpired Minnesota professional license;

(19) unexpired Selective Service card; or

(20) military orders that are still in effect at the time of the application with a copy of a DD Form 2058 State of Legal Residence Certificate.

(b) For purposes of this subdivision, Internet service and cable service are utilities.

(c) The commissioner must verify with the United States Postal Service the address information provided under this subdivision.

Subd. 7. **Verification.** The department must be able to verify with the issuing jurisdiction the issuance and authenticity of the documents submitted under this section. Verification is required if:

(1) the document provided by the applicant is inconsistent with the department record;

(2) the document provided by the applicant appears to be altered or fraudulent; or

(3) there is reason to believe the applicant is not who the applicant claims to be.

**Sec. 35. [171.069] TRANSLATIONS.**

For any document submitted to the department under this chapter in a language other than English:

(1) the document must be accompanied by a translation of that document into the English language;

(2) the translation must be sworn to by the translator as being a true and accurate translation;

(3) the translator must not be related by blood or marriage to the applicant; and

(4) the translator must be:

(i) accredited by the American Translators Association;

(ii) certified by a court of competent jurisdiction;

(iii) approved by an embassy or consulate of the United States or diplomatic or consular official of a foreign country assigned or accredited to the United States;

(iv) affiliated with or approved by the United States Citizenship and Immigration Services or a government jurisdiction within the United States;

(v) an attorney licensed to practice in the United States or affiliated with that attorney;

(vi) a vendor listed to provide translation services for the state of Minnesota; or

(vii) a qualified individual who certifies the individual is competent to translate the document into English.

Sec. 36. Minnesota Statutes 2023 Supplement, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department ~~shall~~ must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; or

(2) Veteran 100% T&P.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; or

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces;

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, or a military retiree identification card, veteran identification card, or veteran health identification card; and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

Sec. 37. Minnesota Statutes 2022, section 171.072, is amended to read:

#### **171.072 TRIBAL IDENTIFICATION CARD.**

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of ~~Minnesota Rules, part 7410.0400, and~~

~~successor rules~~, section 171.062 when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a ~~Minnesota~~ tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) The requirements of this section do not apply: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.

Sec. 38. Minnesota Statutes 2023 Supplement, section 171.12, subdivision 11, is amended to read:

**Subd. 11. Certain data on noncompliant license or identification card; department and agents.** (a) For purposes of this section, "immigration status data" means data on individuals who have applied for or been issued a noncompliant driver's license or identification card and that indicate or otherwise have the effect of identifying (1) whether the individual has demonstrated United States citizenship, or (2) whether the individual has demonstrated lawful presence in the United States. Immigration status data include but are not limited to any documents specified under ~~section 171.06, subdivision 9, 10, or 11~~ section 171.062; immigration status data contained in those documents; or the applicant's submission of the documents.

(b) Immigration status data are classified as private data on individuals, as defined in section 13.02, subdivision 12. Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate immigration status data except to or within the division of the department that administers driver licensing and to the secretary of state for purposes of improving the accuracy of voter registration records under subdivision 7a.

(c) As authorized or required by state or federal law, the commissioner or a driver's license agent may share or disseminate data on individuals who have applied for or been issued a noncompliant driver's license or identification card that are not immigration status data to a government entity, as defined in section 13.02, subdivision 7a, or to a federal government entity that does not enforce immigration law, provided that the receiving entity must not use the data for civil immigration enforcement purposes or further disclose the data to a state or federal government entity that primarily enforces immigration law or to any employee or agent of any such government entity.

(d) Notwithstanding any law to the contrary, the commissioner or a driver's license agent must not share or disseminate any data on individuals who have applied for or been issued a noncompliant driver's license or identification card to any federal government entity that primarily enforces

immigration law, except pursuant to a valid search warrant or court order issued by a state or federal judge.

(e) Violation of this subdivision by the commissioner, a driver's license agent, a government entity, or an employee or agent thereof constitutes a violation of the Minnesota Government Data Practices Act and may be subject to penalties and remedies applicable under that chapter.

Sec. 39. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1a, is amended to read:

Subd. 1a. **Waiver when license issued by another jurisdiction.** (a) If the commissioner determines that an applicant for a driver's license is 21 years of age or older and possesses a valid driver's license issued by another state or jurisdiction that requires a comparable examination to obtain a driver's license, the commissioner must waive the requirements that the applicant pass a knowledge examination and demonstrate ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(b) If the commissioner determines that an applicant for a ~~two-wheeled vehicle~~ motorcycle endorsement is 21 years of age or older and possesses a valid driver's license with a ~~two-wheeled vehicle~~ motorcycle endorsement issued by another state or jurisdiction that requires a comparable examination to obtain an endorsement, the commissioner must waive the requirements with respect to the endorsement that the applicant pass a knowledge examination and demonstrate the ability to exercise ordinary and reasonable control in the operation of a motor vehicle.

(c) For purposes of this subdivision, "jurisdiction" includes, but is not limited to, both the active and reserve components of any branch or unit of the United States armed forces, and "valid driver's license" includes any driver's license that is recognized by that branch or unit as currently being valid, or as having been valid at the time of the applicant's separation or discharge from the military within a period of time deemed reasonable and fair by the commissioner, up to and including one year past the date of the applicant's separation or discharge.

Sec. 40. Minnesota Statutes 2022, section 171.13, subdivision 6, is amended to read:

Subd. 6. ~~Two-wheeled vehicle~~ **Motorcycle endorsement examination fee.** A person applying for an initial ~~two-wheeled vehicle~~ motorcycle endorsement on a driver's license ~~shall~~ must pay at the place of examination a \$2.50 examination fee, an endorsement fee as prescribed in section 171.06, subdivision 2a, and the appropriate driver's license fee as prescribed in section 171.06, subdivision 2.

Sec. 41. Minnesota Statutes 2022, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license ~~shall~~ must not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for:

(i) committing manslaughter resulting from the operation of a motor vehicle;

(ii) committing criminal vehicular homicide or injury under ~~section~~ sections:

(A) 609.2112, subdivision 1, ~~paragraph (a)~~, clause (1); (2), item (ii); (5); (6); (7); or (8);

(B) 609.2113, subdivision 1, clause (1); (2), item (ii); (5); (6); (7); or (8); or

(C) 609.2114, subdivision 1, ~~paragraph (a)~~, clause (1); (2), item (ii); (5); (6); (7); or (8); or subdivision 2, clause (1); (2), item (ii); (5); (6); (7); or (8);

(iii) committing criminal vehicular homicide under ~~section~~ sections:

(A) 609.2112, subdivision 1, ~~paragraph (a)~~, clause (2), item (i) or (iii); (3); or (4); or

(B) 609.2114, subdivision 1, ~~paragraph (a)~~, clause (2), item (i) or (iii); (3); or (4); or

(iv) violating a statute or ordinance from another state in conformity with either of those offenses.

Sec. 42. Minnesota Statutes 2022, section 171.30, subdivision 5, is amended to read:

Subd. 5. **Exception; criminal vehicular operation.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to a violation of ~~section 609.2112, subdivision 1;~~

(1) section 609.2113, subdivision 1, clause (2), item (i) or (iii); (3); or (4); ~~resulting in bodily harm, substantial bodily harm, or great bodily harm;~~ subdivision 2, clause (2), item (i) or (iii); (3); or (4); or subdivision 3, clause (2), item (i) or (iii); (3); or (4);

(2) section 609.2114, subdivision 2, clause (2), item (i) or (iii); (3); or (4); or

(3) a statute or ordinance from another state in conformity with the offenses under clauses (1) and (2) resulting in injury.

Sec. 43. Minnesota Statutes 2023 Supplement, section 171.395, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A licensed or approved driver education program that provides both classroom and behind-the-wheel instruction may offer teleconference driver education as provided in this section. For purposes of this section, the driver education program must offer both classroom and behind-the-wheel instruction. ~~If a program partners or contracts with a second program to provide any portion of classroom or behind-the-wheel instruction, the first program is not eligible to offer teleconference driver education instruction.~~

Sec. 44. Minnesota Statutes 2023 Supplement, section 171.396, is amended to read:

#### **171.396 ONLINE DRIVER EDUCATION PROGRAM.**

(a) A licensed or approved driver education program may offer online driver education as provided in this section. The online driver education program must satisfy the requirements for

classroom driver education as provided in section 171.0701, subdivision 1, and Minnesota Rules, chapter 7411. In addition, an online driver education program must:

- (1) include a means for the student to measure performance outcomes;
- (2) use a pool of rotating quiz questions;
- (3) incorporate accountability features to ensure the identity of the student while engaged in the course of online study;
- (4) measure the amount of time that the student spends in the course;
- (5) provide technical support to customers that is available 24 hours per day, seven days per week;
- (6) require a licensed Minnesota driver education instructor to monitor each student's progress and be available to answer questions in a timely manner, provided that the instructor is not required to monitor progress or answer questions in real time;
- (7) store course content and student data on a secure server that is protected against data breaches and is regularly backed up;
- (8) incorporate preventive measures in place to protect against the access of private information;
- (9) include the ability to update course content uniformly throughout the state; and
- (10) provide online interactive supplemental parental curriculum consistent with section 171.0701, subdivision 1a.

(b) Except as required by this section, the commissioner is prohibited from imposing requirements on online driver education programs that are not equally applicable to classroom driver education programs.

Sec. 45. **FULL-SERVICE PROVIDER.**

(a) For purposes of this section, the following terms have the meanings given:

(1) "commissioner" means the commissioner of public safety; and

(2) "full-service provider" has the meaning given in Minnesota Statutes, section 168.002, subdivision 12a.

(b) A driver's license agent appointed before January 1, 2024, under Minnesota Statutes, section 171.061, and is recognized by the commissioner as a limited licensing agent under Minnesota Rules, part 7404.0340, may apply to the commissioner to become a full-service provider at the agent's current office location. A driver's license agent must submit an application on or before June 1, 2025. By June 30, 2025, an applicant under this section must satisfactorily complete any additional staff training required by the commissioner to offer expanded services as a full-service provider.

(c) The commissioner may appoint an applicant who meets the requirements under this section as a full-service provider.

(d) Minnesota Rules, chapter 7404, applies to an appointment under this section, except that this section applies notwithstanding Minnesota Rules, parts 7404.0300, subparts 4, 5, and 6; 7404.0305, subpart 1, item B; 7404.0345, item D; 7404.0350; 7404.0360, subpart 2; and 7404.0400, subpart 4, item B.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2022, section 171.0605, subdivision 4, is repealed.

(b) Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, and 11, are repealed.

(c) Minnesota Rules, parts 7410.6180; and 7411.7600, subpart 3, are repealed.

**ARTICLE 3**

**GREATER MINNESOTA TRANSIT**

Section 1. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 1a. **Complementary paratransit service (ADA).** "Complementary paratransit service (ADA)" means public transportation service provided on a regular basis where fixed route public transit service exists and is designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 2. Minnesota Statutes 2022, section 174.22, subdivision 2b, is amended to read:

Subd. 2b. **Elderly and disabled service.** "Elderly and disabled service" means transportation service provided on a regular basis in small urbanized or large urbanized areas and designed exclusively or primarily to serve individuals who are elderly or disabled and unable to use regular means of public transportation.

Sec. 3. Minnesota Statutes 2022, section 174.22, is amended by adding a subdivision to read:

Subd. 3a. **Large urbanized area service.** "Large urbanized area service" means a public transportation service operated in areas located outside the metropolitan area with a population greater than 200,000 that is designated by the United States Census Bureau. Large urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 4. Minnesota Statutes 2022, section 174.22, subdivision 7, is amended to read:

Subd. 7. **Public transit or transit transportation.** ~~"Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit.~~ "Public transportation" means regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income. Public transportation does not include:



(1) intercity passenger rail transportation provided by the entity described in United States Code, title 49, section 243, or a successor entity;

(2) intercity bus service;

(3) charter bus service;

(4) school bus service;

(5) sightseeing service;

(6) courtesy shuttle service for patrons of one or more specific establishments; or

(7) intraterminal or intrafacility shuttle services.

Sec. 5. Minnesota Statutes 2022, section 174.22, subdivision 12, is amended to read:

Subd. 12. **Rural area service.** "Rural area service" means a public transportation service primarily operated in an area having population centers of less than 2,500 persons rural areas that have not been designated in the most recent decennial census as an urbanized area by the United States Census Bureau.

Sec. 6. Minnesota Statutes 2022, section 174.22, subdivision 14, is amended to read:

Subd. 14. **Small urban urbanized area service.** "Small ~~urban~~ urbanized area service" means a public transportation service operating in an area with a population between 2,500 and 50,000 operated in areas located outside the metropolitan area with a population of at least 50,000 but less than 200,000 that is designated by the United States Census Bureau. Small urbanized area service does not include complementary paratransit service (ADA), as defined in subdivision 1a.

Sec. 7. Minnesota Statutes 2022, section 174.23, subdivision 2, is amended to read:

Subd. 2. **Financial assistance; application, approval.** (a) The commissioner ~~shall~~ must seek out and select eligible recipients of financial assistance under sections 174.21 to 174.27.

(b) The commissioner ~~shall~~ must establish ~~by rule the~~ procedures and standards for review and approval of applications for financial assistance submitted to the commissioner pursuant to sections 174.21 to 174.27. Any applicant ~~shall~~ must provide to the commissioner any financial or other information required by the commissioner to carry out the commissioner's duties. The commissioner may require local contributions from applicants as a condition for receiving financial assistance.

~~(c) Before the commissioner approves any grant, the application for the grant may be reviewed by the appropriate regional development commission only for consistency with regional transportation plans and development guides. If an applicant proposes a project within the jurisdiction of a transit authority or commission or a transit system assisted or operated by a city or county, the application shall also be reviewed by that commission, authority, or political subdivision for consistency with its transit programs, policies, and plans.~~

Sec. 8. Minnesota Statutes 2022, section 174.24, subdivision 1a, is amended to read:

Subd. 1a. **Greater Minnesota transit investment plan.** (a) The commissioner ~~shall~~ must develop a greater Minnesota transit investment plan that contains a goal of meeting at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025.

(b) The plan must include, but is not limited to, the following:

(1) an analysis of ridership and total transit service needs throughout greater Minnesota;

(2) a calculation of the level and type of service required to meet total transit service needs, for the transit system classifications as provided under subdivision 3b, paragraph (c), of large urbanized area, small urban urbanized area, rural area, and elderly and disabled service, and complementary paratransit service (ADA);

(3) an analysis of costs and revenue options;

(4) a plan to reduce total transit service needs as specified in this subdivision; and

(5) identification of the operating and capital costs necessary to meet 100 percent of the greater Minnesota transit targeted and projected bus service hours, as identified in the greater Minnesota transit plan, for 2010, 2015, 2020, 2025, and 2030.

(c) The plan must specifically address special transportation service ridership and needs. The plan must also provide that recipients of operating assistance under this section provide fixed route public transit service without charge for disabled veterans in accordance with subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** ~~(a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.~~

~~(b)~~ (a) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner ~~shall~~ must place all recipients into one of the following classifications: large urbanized area service, small urban urbanized area service, rural area service, and elderly and disabled service, and complementary paratransit service (ADA).

~~(c)~~ (b) The commissioner ~~shall~~ must distribute funds the operating assistance amount under this section so that the percentage of total contracted operating cost from local sources paid by any recipient ~~from local sources~~ will not exceed the following percentage for that recipient's classification, except as provided in this subdivision. ~~The percentages must be:~~

(1) for urbanized area service and small urban area service, 20 percent;

(2) for rural area service, 15 percent; and

(3) for elderly and disabled service and complementary paratransit service (ADA), 15 percent.

~~Except as provided in a United States Department of Transportation program allowing or requiring a lower percentage to be paid from local sources, the remainder of the recipient's total contracted operating cost will be paid from state sources of funds less any assistance received by the recipient from the United States Department of Transportation.~~

~~(d) (c)~~ For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, ~~except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.~~

~~(e) (d)~~ If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of ~~total operating cost~~ the operating assistance amount from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of ~~total operating cost~~ the operating assistance amount as provided in this paragraph, the commissioner ~~shall~~ must reduce the state share in each classification to the extent necessary.

Sec. 10. Minnesota Statutes 2022, section 174.24, subdivision 3c, is amended to read:

Subd. 3c. **Nonoperating assistance.** The commissioner ~~shall~~ must determine the total cost of any planning and engineering design, capital assistance, other capital expenditures, and other assistance for public transit services that furthers the purposes of section 174.21 for any public transit system receiving or applying for the assistance in accordance with generally accepted accounting principles. The percentage of local sources paid by any recipient must not exceed 20 percent of the awarded amount. To be eligible for non-operating-cost financial assistance, an applicant or recipient ~~shall~~ must provide to the commissioner all financial records and other information and ~~shall~~ must permit any inspection reasonably necessary to determine total cost and the amount of assistance that may be paid to the applicant or recipient. When more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner ~~shall~~ must identify one as a lead agency for the purpose of receiving money under this section. The commissioner has the sole discretion to determine the amount of state funds distributed to any recipient for non-operating-cost assistance.

Sec. 11. Minnesota Statutes 2022, section 174.247, is amended to read:

#### **174.247 ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner ~~shall~~ must submit a report to the legislature on transit services outside the metropolitan area. ~~The Metropolitan Council and~~ Any public transit system receiving assistance under section 174.24 ~~shall~~ must provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies for each public transit system and for each transit system classification under section 174.24, subdivision 3b:

(i) the operating and capital costs;

(ii) each of the funding sources used to provide financial assistance; and

(iii) for federal funds, the amount from each specific federal program under which funding is provided;

(6) a summary of the differences in program implementation requirements and aid recipient eligibility between federal aid and state sources of funds; and

(7) ~~in each odd-numbered year~~, an analysis of public transit system needs and operating expenditures on an annual basis, which must include a methodology for identifying monetary needs, and calculations of:

(i) the total monetary needs for all public transit systems, for the year of the report and the ensuing five years;

(ii) the total expenditures from local sources for each transit system classification;

(iii) the comprehensive transit assistance percentage for each transit system classification, which equals (A) the expenditures identified under item (ii), for a transit system classification, divided by (B) the amounts identified under subitem (A), plus the sum of state sources of funds plus federal funds provided to all transit systems in that classification; and

(iv) the amount of surplus or insufficient funds available for paying capital and operating costs to fully implement the greater Minnesota transit investment plan under section 174.24, subdivision 1a.

Sec. 12. Minnesota Statutes 2023 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(g) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

(h) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(i) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

(j) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(k) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(l) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(m) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(n) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(o) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(p) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (k), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) \$0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency medical transportation provider;

(4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

(5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

(6) \$75 for the base rate and \$2.40 per mile for protected transport; and

(7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary.

(q) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (p), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (p), clauses (1) to (7).

(r) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(s) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed under paragraph (1) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(t) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

Sec. 13. Minnesota Statutes 2022, section 473.121, subdivision 19, is amended to read:

Subd. 19. **Public transit or transit.** "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

Sec. 14. Minnesota Statutes 2023 Supplement, section 609.855, subdivision 7, is amended to read:

Subd. 7. **Definitions.** (a) The definitions in this subdivision apply in this section.



(b) "Public transit" or "transit" has the meaning given to "public transportation" in section 174.22, subdivision 7.

(c) "Public transit vehicle" or "transit vehicle" means any vehicle used for the purpose of providing public transit, whether or not the vehicle is owned or operated by a public entity.

(d) "Public transit facilities" or "transit facilities" means any vehicles, equipment, property, structures, stations, improvements, plants, parking or other facilities, or rights that are owned, leased, held, or used for the purpose of providing public transit, whether or not the facility is owned or operated by a public entity.

(e) "Fare medium" means a ticket, smart card, pass, coupon, token, transfer, or other medium sold or distributed by a public transit provider, or its authorized agents, for use in gaining entry to or use of the public transit facilities or vehicles of the provider.

(f) "Proof of fare payment" means a fare medium valid for the place or time at, or the manner in, which it is used. If using a reduced-fare medium, proof of fare payment also includes proper identification demonstrating a person's eligibility for the reduced fare. If using a fare medium issued solely for the use of a particular individual, proof of fare payment also includes an identification document bearing a photographic likeness of the individual and demonstrating that the individual is the person to whom the fare medium is issued.

(g) "Authorized transit representative" means the person authorized by the transit provider to operate the transit vehicle, a peace officer, a transit official under section 473.4075, subdivision 1, or any other person designated by the transit provider as an authorized transit representative under this section.

Sec. 15. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section 174.22, in alphabetical order by their headnotes and correct any cross-reference changes that result.

(b) In Minnesota Statutes, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in Minnesota Statutes, sections 174.21 to 174.27.

(c) Except as otherwise provided in this article, in Minnesota Statutes, the revisor of statutes must change the term "public transit" to "public transportation" wherever the term appears in statutes in conjunction with a specific reference to Minnesota Statutes, section 174.22, subdivision 7.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2022, sections 174.22, subdivisions 5 and 15; and 174.23, subdivision 7, are repealed.

(b) Minnesota Rules, parts 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, and 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, and 4; and 8835.0350, subparts 1, 3, 4, and 5, are repealed."

Correct the internal references

Delete the title and insert:

"A bill for an act relating to transportation; amending various provisions relating to the Department of Transportation, Department of Public Safety, and the Division of Driver and Vehicle Services; modifying various policies including but not limited to legislative routes, the Advisory Council on Traffic Safety, driving rules, small business contract preferences, nondivisible loads, motorcycle ground lighting, sewage septic tank pumping trucks, the promotion of passenger rail services by the commissioner of transportation, highway designations, clearance exemptions for certain carriers operating near rail yards and terminals, hours of service exemptions for transporting heating fuel in a nationally declared emergency, accident prevention courses for persons over the age of 55, the transport of certain propane products by persons between the ages of 18 and 21, veterans' designations on drivers' licenses and identification cards, limited drivers' licenses, noncompliant drivers' licenses and identification cards, recreational vehicles, drivers' education programs, implements of husbandry operation rules, commercial motor vehicle postsecondary instruction, child passenger restraint requirements, supplemental school bus warning systems, and towing authority; making technical corrections; amending Minnesota Statutes 2022, sections 65B.28, subdivision 2; 161.115, subdivisions 116, 117, by adding a subdivision; 161.14, by adding subdivisions; 161.321, subdivisions 2, 2b; 168.002, subdivisions 26, 27; 168.013, subdivision 1d; 168.0135, by adding a subdivision; 168.33, subdivision 8a; 168A.085, by adding a subdivision; 168B.035, subdivision 3; 169.09, subdivisions 5, 14a, 19; 169.19, subdivision 2; 169.224, subdivision 3; 169.34, subdivision 1; 169.444, subdivision 4; 169.4503, subdivision 31; 169.56, by adding a subdivision; 169.685, subdivisions 4, 5, by adding subdivisions; 169.80, by adding a subdivision; 169.801, subdivision 7; 169.829, by adding a subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 169A.52, subdivision 7; 171.01, subdivisions 41a, 47, by adding a subdivision; 171.06, subdivision 2a; 171.0605, subdivisions 2, 6; 171.072; 171.13, subdivision 6; 171.30, subdivisions 2a, 5; 174.03, subdivision 12; 174.22, subdivisions 2b, 7, 12, 14, by adding subdivisions; 174.23, subdivision 2; 174.24, subdivisions 1a, 3b, 3c; 174.247; 174.632, subdivision 2; 174.636, subdivision 1; 219.46, subdivision 1; 221.033, subdivision 1, by adding a subdivision; 473.121, subdivision 19; Minnesota Statutes 2023 Supplement, sections 4.076, subdivision 3; 115E.042, subdivision 4; 168.1235, subdivision 1; 169.09, subdivision 8; 171.06, subdivision 3; 171.0605, subdivision 5; 171.07, subdivision 15; 171.12, subdivision 11; 171.13, subdivision 1a; 171.395, subdivision 1; 171.396; 174.40, subdivision 4a; 221.0269, subdivision 4; 256B.0625, subdivision 17; 609.855, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 171; 219; repealing Minnesota Statutes 2022, sections 169.011, subdivision 70; 169.25; 171.0605, subdivision 4; 174.22, subdivisions 5, 15; 174.23, subdivision 7; 221.033, subdivision 2c; Minnesota Statutes 2023 Supplement, section 171.06, subdivisions 9, 10, 11; Minnesota Rules, parts 7410.6180; 7411.7600, subpart 3; 8835.0110, subparts 1, 1a, 6, 7, 10, 11a, 12a, 12b, 13a, 14a, 15, 15a, 16, 17, 18, 19; 8835.0210; 8835.0220; 8835.0230; 8835.0240; 8835.0250; 8835.0260; 8835.0265; 8835.0270; 8835.0275; 8835.0280; 8835.0290; 8835.0310; 8835.0320; 8835.0330, subparts 1, 3, 4; 8835.0350, subparts 1, 3, 4, 5."

And when so amended the bill do pass. Amendments adopted. Report adopted.

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

**S.F. No. 1743:** A bill for an act relating to health; establishing certified midwife licensure by the Board of Nursing; providing criminal penalties; amending Minnesota Statutes 2022, sections 147D.03, subdivision 1; 148.241; 151.01, subdivision 23, as amended; 152.12, subdivision 1;

256B.0625, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 148G.

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

Page 12, line 10, after the first "1" insert "or 1a" and after the second "1" insert "or 1a" and after the third "1" insert "or subdivision 1a"

Page 12, line 11, delete "(o)" and insert "(g)" and after "1" insert "or subdivision 1a" and delete "(o)" and insert "(g)"

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

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

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

**S.F. No. 3994:** A bill for an act relating to elections; establishing the Minnesota Voting Rights Act; making legislative findings; prohibiting certain actions by political subdivisions or other officials or entities with responsibilities related to election administration that result in voter suppression or vote dilution; establishing a civil cause of action for violations; requiring notice prior to a claim in certain cases; establishing remedies; amending Minnesota Statutes 2022, section 412.02, subdivision 6, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 200.

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

Page 3, delete section 3 and insert:

**"Sec. 3. [200.53] CONSTRUCTION AND USE OF AUTHORITY.**

A law, rule, local law, charter provision, local ordinance, or local code relating to the right to vote, or which grants authority to prescribe or maintain voting or elections policies and practices, must be construed or applied liberally in favor of a voter's exercise of the right of suffrage. To the extent a court is afforded discretion on an issue, including but not limited to discovery, procedure, admissibility of evidence, or remedies, the court must exercise that discretion and weigh other equitable discretion in favor of this right."

Page 3, delete lines 24 to 29 and insert:

"Subdivision 1. **Voter suppression.** (a) A political subdivision or any other government official or entity responsible for election administration must not adopt or apply a qualification for eligibility to vote or other prerequisite to voting; adopt or apply any law, ordinance, rule, standard, practice, procedure, or policy regarding the administration of elections; or take any other action or fail to take any action that results in, is likely to result in, or is intended to result in a denial or abridgement of the right to vote by a member of a protected class.

(b) A violation of this subdivision may be established if: (1) the challenged qualification, law, ordinance, rule, standard, practice, procedure, policy, or action results in a disparity in: (i) voter participation, (ii) access to voting opportunities, or (iii) the opportunity or ability to participate in

the political process between a protected class and other members of the electorate; and (2) the totality of the circumstances show that the challenged qualification, law, ordinance, rule, standard, practice, procedure, policy, or action is related to social and historical conditions affecting members of the protected class."

Page 4, delete lines 1 to 5

Page 4, line 31, after "determining" insert "whether"

Page 4, line 32, after "remedy" insert "exists that would likely mitigate the impairment"

Page 5, line 15, delete everything after "determining" and insert "whether an appropriate remedy exists that would likely mitigate the impairment."

Page 5, delete lines 26 and 27

Renumber the clauses in sequence

Page 6, line 13, delete "a compelling" and insert "an important"

Page 6, line 15, delete "None of the factors" and insert "No one factor" and delete "are" and insert "is"

Page 6, line 20, after "violation" insert "of section 200.54"

Page 7, line 14, before "Except" insert "(a)"

Page 7, after line 18, insert:

"(b) The notice letter required by paragraph (a) must include a legal analysis setting forth the potential violations of section 200.54 with specificity. The letter must establish a voter suppression claim, a vote dilution claim, or both. The letter must include a discussion of any relevant factors established in section 200.55, subdivision 1, and must include evidence to support the claims."

Page 7, line 26, delete everything after "remedies."

Page 7, delete lines 27 to 33

Page 8, delete lines 1 to 4

Page 8, line 5, delete "(b)"

Page 8, line 6, delete everything before "the"

Page 8, line 10, delete "paragraph" and insert "subdivision"

Page 8, delete lines 17 to 27 and insert:

"Subd. 4. **When presuit notice is not required.** Notwithstanding subdivisions 1 and 2, a prospective plaintiff may file an action without first providing a notice letter if:

(1) the party is seeking preliminary relief with respect to an upcoming election in accordance with section 200.57;

(2) the party is seeking to intervene or join an action that alleges a substantially similar violation;  
or

(3) following the party's submission of a notice letter, the political subdivision has enacted a remedy that would not remedy the violation identified in the party's notice letter."

Page 9, line 7, delete "\$40,000" and insert "\$20,000"

Page 9, delete lines 26 to 31 and insert:

"Subd. 2. **Preliminary relief.** In any action seeking a temporary injunction or other preliminary relief under this act before an election, the court shall grant relief only if, in addition to any other factors considered in seeking an injunction or preliminary relief the court determines that it is possible to implement appropriate preliminary relief that would address the alleged violation before the election."

Page 10, delete sections 9 to 11 and insert:

"Sec. 9. **[200.59] FEES AND COSTS.**

In any action brought under this act, the court, in its discretion, may allow the prevailing party costs and reasonable attorney fees. If a party prevails on only a portion of their action, the court shall award costs and fees attributable only to that portion of the action. If the party against whom the action was filed prevails in the action, the court shall not award that party any costs or fees unless the court finds the action is frivolous.

Sec. 10. Minnesota Statutes 2022, section 204B.175, is amended to read:

#### **204B.175 CHANGE OF POLLING PLACE IN AN EMERGENCY.**

Subdivision 1. **Application.** When an emergency occurs after the deadline to designate a polling place for the purpose of absentee or early voting pursuant to section 203B.081, or after the deadline to designate a polling place pursuant to section 204B.16 but before the polls close on election day, a new polling place may be designated ~~for that election~~ pursuant to this section. For purposes of this section, an emergency is any situation that prevents the safe, secure, and full operation of a polling place, or when required to remedy a potential violation of section 200.54.

Subd. 2. **Changing polling place.** If a local election official determines that an emergency has occurred or is imminent, the local election official must procure a polling place that is as near the designated polling place as possible and that complies with the requirements of section 204B.16, subdivisions 4 and 5. If it is not possible to locate a new polling place in the precinct, the polling place may be located outside of the precinct without regard to the distance limitations in section 204B.16, subdivision 1. If a polling location is changed to remedy a potential violation of section 200.54, the location of the polling place must be selected to remedy the violation. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.

Subd. 2a. **Designation of additional polling places.** A local election official may designate additional polling locations, notwithstanding the deadlines in section 203B.081, if additional designations are required to remedy a potential violation of section 200.54. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.

Subd. 3. **Notice.** (a) Upon making the determination to relocate a polling place, the local election official must immediately notify the county auditor and the secretary of state. The notice must include the reason for the relocation and the reason for the location of the new polling place. As soon as possible, the local election official must also post a notice stating the reason for the relocation and the location of the new polling place. The notice must also be posted on the website of the public body, if there is one. The local election official must also notify the election judges and request that local media outlets publicly announce the reason for the relocation and the location of the polling place. If the relocation occurs more than 14 days prior to the election, the local election official must mail a notice to impacted voters of the reason for the relocation and the location of the polling place.

(b) On election day, the local election official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the new polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the new polling place will be extended until the specified time."

Page 11, delete section 12

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "making"

Page 1, line 3, delete "legislative findings;"

Amend the title numbers accordingly

And when so amended the bill do pass.

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

**Senator Kunesh from the Committee on Education Finance, to which was referred**

**S.F. No. 4690:** A bill for an act relating to early childhood education; clarifying the payment of developmental screening aid; amending Minnesota Statutes 2023 Supplement, section 121A.19.

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

**Senator Kunesh from the Committee on Education Finance, to which was referred**

**S.F. No. 4688:** A bill for an act relating to education finance; modifying the definition of adjusted general revenue; amending Minnesota Statutes 2022, section 127A.51.

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

**Senator Kunesh from the Committee on Education Finance, to which was referred**

**S.F. No. 3472:** A bill for an act relating to education finance; creating a task force examining the returns from the permanent school fund endowment; requiring a report; appropriating money.

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

Page 2, line 3, delete "two" and insert "four" and after the semicolon, insert "and"

Page 2, delete lines 4 to 7

Page 2, line 8, delete "(6)" and insert "(4)" and delete "one member" and insert "three members"

Page 2, line 14, delete everything after "changes" and insert "to the distribution of earnings."

Page 2, delete line 15

Page 2, line 16, delete everything before "The"

Page 2, line 20, after "Report" insert "; expiration"

Page 2, line 23, after the period, insert "The task force expires on January 15, 2026, or upon submission of the report required under this subdivision, whichever occurs earlier."

Page 2, line 25, delete "general" and insert "state forest suspense account in the permanent school"

And when so amended the bill do pass and be re-referred to the Committee on Environment, Climate, and Legacy.

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

**Senator Putnam from the Committee on Agriculture, Broadband, and Rural Development, to which was re-referred**

**S.F. No. 4782:** A bill for an act relating to state government; modifying cannabis provisions; appropriating money; amending Minnesota Statutes 2022, section 18K.03, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 3.9224; 151.72, subdivisions 1, 2, 4, 5a, 5b, 6, 7; 256B.0625, subdivision 13d; 290.0132, subdivision 29; 290.0134, subdivision 19; 295.81, subdivisions 1, 4; 297A.67, subdivision 2; 297A.70, subdivision 2; 342.01, subdivisions 3, 4, 12, 14, 16, 17, 19, 20, 48, 64, 65, 66, by adding a subdivision; 342.02, subdivisions 2, 3, 5, 6; 342.07, subdivision 3; 342.09, subdivisions 1, 3; 342.10; 342.11; 342.12; 342.13; 342.14; 342.15, subdivisions 1, 2, by adding a subdivision; 342.17; 342.18, subdivision 3, by adding subdivisions; 342.19,

subdivisions 1, 3, 4, 5; 342.22; 342.24, subdivisions 1, 2; 342.28, subdivision 2, by adding a subdivision; 342.29, subdivisions 1, 4; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.35, subdivision 1; 342.37, subdivision 1; 342.40, subdivision 7; 342.41, subdivisions 1, 3; 342.51; 342.515; 342.52, subdivisions 1, 2, 3, 4, 5, 9, 11; 342.53; 342.54; 342.55, subdivisions 1, 2; 342.56, subdivisions 1, 2; 342.57, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.58; 342.60; 342.61, subdivisions 4, 5; 342.63, subdivisions 2, 3, 4, 6; Laws 2023, chapter 63, article 1, sections 2; 51; 52; 53; 54; 55; 56; 57; 58; 59; 61; article 6, section 73; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2023 Supplement, sections 342.01, subdivisions 28, 52, 53, 54, 55; 342.18, subdivision 1; 342.27, subdivision 13; 342.29, subdivision 9; 342.47; 342.48; 342.49; 342.50; 342.52, subdivision 8; Laws 2023, chapter 63, article 7, sections 4; 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government and Veterans.

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

**Senator Rest from the Committee on Taxes, to which was re-referred**

**S.F. No. 3223:** A bill for an act relating to workforce development; establishing a Shakopee area workforce development scholarship pilot program; appropriating money.

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

Page 3, line 20, after "290" insert a comma

Page 3, line 21, before the period, insert "that is matched under subdivision 5"

Page 3, after line 27, insert:

"(d) Credits granted to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each partner, member, shareholder, or owner based on their share of the entity's assets or as specially allocated in their organizational documents or any other executed document, as of the last day of the taxable year.

(e) The commissioner of revenue may use any audit and examination powers under Minnesota Statutes, chapter 270C or 289A, to the extent necessary to verify that the taxpayer is eligible for the credit and to assess for the amount of any improperly claimed credit.

(f) This subdivision expires after December 31, 2028, except that the expiration of this subdivision does not affect the commissioner of revenue's authority to audit or power of examination and assessment for credits claimed under this subdivision."

Page 3, line 28, delete "(d)" and insert "(g)"

Page 4, after line 17, insert:



**"EFFECTIVE DATE.** This section is effective the day following final enactment, except that subdivision 8 is effective for taxable years beginning after December 31, 2023, and before January 1, 2029."

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

**Senator Rest from the Committee on Taxes, to which was referred**

**S.F. No. 5085:** A bill for an act relating to taxation; making various policy and technical changes to individual income and corporate franchise taxes, sales and use taxes, property taxes and local government aids, and other miscellaneous taxes and tax-related provisions; amending Minnesota Statutes 2022, sections 270C.445, subdivision 6; 289A.12, subdivision 18; 297A.66, subdivision 3, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 290.01, subdivision 19; 290.0134, subdivision 20; 290.0693, subdivisions 1, 6, 8; 477A.35, subdivision 6; Laws 2023, chapter 1, sections 22; 28.

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

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

**S.F. No. 4429:** A bill for an act relating to the military; authorizing the adjutant general to establish a referral bonus program for referrals leading to enlistment in or commissioning into the Minnesota National Guard; amending Minnesota Statutes 2022, section 192.501, 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:

"Section 1. Minnesota Statutes 2022, section 190.16, subdivision 3, is amended to read:

Subd. 3. **Contracts; agreements.** ~~When prescribed or required by the laws of the United States and any rules or regulations made thereunder, and~~ Notwithstanding any state law to the contrary, the adjutant general shall be the contracting authority and officer for any construction, improvement or maintenance program or project, or any other program or project financed either in whole or in part by moneys made available by the federal government and may execute agreements and contracts for and in behalf of the state therefor, including a dedication of the primary use and purpose of such buildings, air bases, roads, utilities or other structures or facilities required in the training, housing, and maintenance of the military forces of the state for periods up to and including 25 years.

Sec. 2. Minnesota Statutes 2022, section 190.16, subdivision 6a, is amended to read:

Subd. 6a. **Rental of ~~Camp Ripley~~ military facilities.** The adjutant general or the adjutant general's designee may rent buildings or other facilities ~~at Camp Ripley~~ of the Minnesota National Guard to persons under terms and conditions specified by the adjutant general or designee. Subject to any prohibitions or restrictions in any agreement between the United States and the state of Minnesota, proceeds of rentals under this subdivision must be applied as follows:

- (1) payment of increased utilities, maintenance, or other costs directly attributable to the rental;
- (2) other operating and maintenance or repair costs for the building or facility being rented; and
- (3) maintenance and improvement of buildings or other facilities at Camp Ripley.

Rentals under this subdivision must be made under terms and conditions that do not conflict with the use of ~~Camp Ripley~~ the facilities for military purposes.

Sec. 3. Minnesota Statutes 2022, section 192.501, is amended by adding a subdivision to read:

Subd. 1e. **Referral bonus program.** (a) The adjutant general may establish a program to provide a bonus for referrals leading to enlistment in or commissioning into the Minnesota National Guard.

(b) The adjutant general may determine eligibility criteria for the bonus. The adjutant general must specify all criteria for the bonus in regulations and publish changes as necessary.

(c) The referral bonus payments must be made on a schedule that is determined and published in department regulations by the adjutant general.

(d) If the adjutant general determines that a referral bonus was paid to an individual who was ineligible, the adjutant general may seek to recoup the bonus.

(e) If the adjutant general implements a referral bonus program, the adjutant general must:

(1) notify the legislative committees with jurisdiction over the Minnesota National Guard;

(2) develop internal controls for the referral bonus program aimed at preventing fraud, waste, and abuse of government resources, and publish these internal controls in regulation;

(3) by January 16 each year, submit regulations developed under this subdivision to the legislative committees with jurisdiction over the Minnesota National Guard; and

(4) maintain an accurate record of the recipients and benefits paid under this subdivision and summarize this information in the agency performance report, including information regarding the rank and unit locations of bonus recipients.

Sec. 4. Minnesota Statutes 2022, section 193.143, is amended to read:

#### **193.143 STATE ARMORY BUILDING COMMISSION, POWERS.**

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right, title, and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the Military Code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or

personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

(2) To exercise the power of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

(3) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of \$15,000,000.

(4) To provide partnerships with federal and state governments and to match federal and local funds, when available.

(5) To sue and be sued.

(6) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

(7) To employ any and all professional and nonprofessional services and all agents, employees, workers, and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require full time and attention the commission may compensate the member therefor at such rates as it may determine.

(8) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

(9) To use for the following purposes any available money received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) to pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) if any further excess money remains, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized, provided that any bonds so purchased shall thereupon be canceled.

(10) To adopt and use a corporate seal.

(11) To adopt all needful bylaws and rules for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

(12) Such corporation shall issue no stock.

(13) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

(14) The Minnesota State Armory Building Commission created under section 193.142 shall keep all money and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission fund," with separate accounts for each armory; and the commission may make transfers of money from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from money on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of construction, operation, maintenance, ~~and~~ debt service, and other obligations reasonable and necessary, of such other armory; provided further, no such transfer of any money paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

(15) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

(16) The governor is empowered to apply for grants of money, equipment, and materials which may be made available to the states by the federal government for leasing, building, and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever the governor is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota State Armory Building Commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 5. Minnesota Statutes 2022, section 193.29, subdivision 1, is amended to read:

Subdivision 1. **Armory board.** The adjutant general may delegate authority for the control, operation, and use of each armory building and grounds occupied by any of the military forces of the state shall be vested in to an armory board consisting of officers, warrant officers, or enlisted personnel representing the organization or organizations quartered therein, as hereinafter provided, except that the commission-owned armories which have been or may be constructed or acquired and operated under the provisions of sections 193.139 to 193.149, and acts supplementary thereto shall be controlled and operated as provided therein.

Sec. 6. Minnesota Statutes 2022, section 193.29, subdivision 4, is amended to read:

Subd. 4. **Rentals; proceeds.** The armory board may rent an armory to entities or individuals under terms and conditions ~~the board determines~~ as determined by the adjutant general, but rentals may not conflict with the use of the armory for military purposes. The proceeds of rentals and all other income accruing to each armory constitutes the armory fund and must be applied by the armory board of each armory, as the adjutant general shall direct, for its maintenance, extension, improvement, and equipment, but all armory funds and all allowances from the state accruing to commission-owned armories must be paid to the commission.

Sec. 7. Minnesota Statutes 2022, section 193.36, subdivision 2, is amended to read:

Subd. 2. **May sell and convey property in certain cases.** In any case when the adjutant general finds it advantageous for military training, the adjutant general may sell and convey property to the municipality or county in which the property is located at a price to be determined by an appraiser to be selected by the adjutant general. The money received must be credited to the general fund and is appropriated to the adjutant general to be used: (1) as a contribution for the construction or acquisition of an armory, armories, or armory facilities to replace the one sold; or (2) for the maintenance, operation, repair, rehabilitation, or improvement of existing armory facilities. The money may also be transferred to the Minnesota State Armory Commission: (1) for the replacement of an armory, armories, or armory facilities constructed or acquired by the commission; or (2) for the maintenance, operation, repair, rehabilitation, or improvement of facilities owned by the commission. If the money received is not expended for the purposes stated in this subdivision within ten years after the old armory has been sold, the appropriation to the adjutant general as provided in this subdivision lapses. In the event that both the municipality and the county desire to purchase the armory, the municipality must be given first priority to purchase the armory. In addition to money, the adjutant general may consider local government contributions to include the donation of land, provision of utilities to provide for a new armory, or other expenditures by the municipality or county.

If the municipality or county does not purchase the property after a reasonable opportunity, the adjutant general may sell and convey it to any person after a public sale of the property by first advertising for bids or proposals for three consecutive weeks in a newspaper of general circulation in the area that the property is located and accepting the proposal most favorable to the department. The adjutant general may reject all proposals. The proceeds of the sale must be credited as provided in this subdivision. The adjutant general may lease any armory remaining unsold to the municipality for public purposes.

Sec. 8. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 2a. **May sell and convey property in certain cases to limited resource municipalities.** The adjutant general may sell and convey property to a municipality at a price to be determined by the adjutant general with the condition that the property remain in public use by the municipality for no less than 25 years, if the adjutant general:

- (1) finds it advantageous for military training;
- (2) intends to sell and convey property located in a municipality; and
- (3) determines that the municipality in which the property is located lacks sufficient property tax base or other resources to purchase the property at the appraised value.

Sec. 9. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 2b. **Exchange of property.** The adjutant general with the approval of the Land Exchange Board may exchange any property for any publicly or privately held property without regard for value when the adjutant general finds it advantageous for military training, operations, or reduction of management costs.

Sec. 10. Minnesota Statutes 2022, section 193.36, subdivision 3, is amended to read:

Subd. 3. **Disposition of unsuitable armory sites and buildings.** The adjutant general with the approval of the governor, may sell and convey on behalf of the state any state armory sites and buildings which in the judgment of the adjutant general are unsuitable for military purposes or which have been condemned by proper authority as unsafe. Money received from the sale of such armories shall be paid into the state treasury and credited to the ~~general fund~~ maintenance appropriation of the Department of Military Affairs or the Minnesota State Armory Building Commission as determined by the adjutant general.

Sec. 11. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to read:

Subd. 4. **Bond financed property.** Notwithstanding a provision to the contrary in this section, all conveyances, sales, or exchanges under this section of state bond financed property, as defined in section 16A.695, subdivision 1, are subject to section 16A.695, subdivision 3.

Sec. 12. Minnesota Statutes 2022, section 197.63, subdivision 1, is amended to read:

Subdivision 1. **Issuance without charge.** A certified copy of a birth, death, marriage, divorce, dissolution of marriage record, or certified copy of veteran's discharge recorded pursuant to section 386.20, shall be issued promptly by the officer charged with the keeping of the records upon the request of, and without any charge to, any veteran, the surviving spouse or next of kin of the veteran, a county veteran service officer appointed pursuant to section 197.60, or a service ~~officers~~ officer of any veterans organization chartered by the Congress of the United States; or the Department of Veterans Affairs; for use in the presentation of claims to the United States Veterans Administration or in connection with any veterans organization or the Department of Veterans Affairs. The word "veteran" as used in this section means any man or woman who is a veteran as defined in section 197.447, and who is a citizen of the United States or resident alien.

Sec. 13. Minnesota Statutes 2022, section 198.005, is amended to read:

**198.005 ADMINISTRATORS.**

The commissioner shall appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section 43A.17, subdivision 1. ~~The administrators serve at the pleasure of the commissioner and report directly to the commissioner.~~

Sec. 14. Minnesota Statutes 2022, section 198.006, is amended to read:

**198.006 SUPPLEMENTAL PROGRAMS.**

(a) The commissioner must work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

(b) The commissioner may work with federal, state, local, and private entities to make available appropriate dental services for veterans homes residents. The commissioner may engage with the United States Department of Veterans Affairs to support the dental benefits program authorized under this paragraph.

(c) The commissioner may provide adult day care center programs that offer therapeutic and rehabilitation health care services to veterans and support services for caregivers of veterans. If the commissioner provides adult day care center programs, the commissioner may collect fees from program participants. The commissioner is authorized to apply for and accept federal funding for purposes of this paragraph.

(d) The commissioner may operate a central pharmacy to provide any veterans home resident with pharmaceuticals prescribed as part of the resident's care plan. Any pharmacy established under this paragraph must comply with state and federal law, including any applicable rules. The commissioner may engage with the United States Department of Veterans Affairs to support the central pharmacy authorized under this paragraph.

Sec. 15. Minnesota Statutes 2022, section 375.34, is amended to read:

**375.34 MEMORIAL DAY AND VETERANS DAY, APPROPRIATION FOR OBSERVANCE.**

The county board of each county may appropriate funds from the revenue fund of the county ~~not more than \$3,500 annually~~ to aid in the observance of Memorial Day in commemoration of the noble and valiant deeds of the nation's soldier dead and Veterans Day.

Sec. 16. Minnesota Statutes 2022, section 375.35, is amended to read:

**375.35 ~~\$300~~ APPROPRIATIONS TO MILITARY SERVICE ORGANIZATIONS FOR MEMORIAL DAY AND VETERANS DAY.**

A county board may also appropriate funds annually ~~not more than \$300~~ to each post of a recognized military service persons' organization or society, holding charter from Congress or

incorporated in this state, organized and existing in the county, to defray the expenses of Memorial Day and Veterans Day exercises.

Sec. 17. Laws 2010, chapter 333, article 2, section 23, as amended by Laws 2011, First Special Session chapter 12, section 47, is amended to read:

**Sec. 23. PLANNING NEW VETERANS CEMETERIES.**

(a) The commissioner of veterans affairs shall determine a suitable site and plan for ~~three~~ four new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in northwestern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

(b) For determining the veterans cemetery site in southeastern Minnesota, the commissioner shall give priority consideration to land owned and proposed for donation by the county of Fillmore.

(c) The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

- (1) determining the need for the cemetery;
- (2) investigating the availability of suitable land for the cemetery;
- (3) assessment of impacts of the cemetery;
- (4) encouragement of support from veteran service organizations and local governments; and
- (5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

(d) By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section.

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

Sec. 18. Laws 2023, chapter 38, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. <b>Veterans Programs and Services</b>	56,523,000	31,214,000
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$30,258,000 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 as provided under article 2, section 9.

(h) **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.

(i) **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 base for this appropriation is \$200,000 in fiscal year 2026 and each fiscal year thereafter.

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.

(j) **CORE Program.** \$1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(k) **LinkVet Call Center.** \$369,000 each year is for the operation of the state's LinkVet Call Center.

(l) **Recently Separated Veterans Program.** \$350,000 each year is 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. The base for this appropriation is \$300,000 in fiscal year 2026 and each fiscal year thereafter.

(m) **Homeless Veterans and SOAR Program.** \$1,035,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' 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. The base for this appropriation is \$1,344,000 in fiscal year 2026 and each fiscal year thereafter.

(n) **Minnesota Assistance Council for Veterans.** \$7,865,000 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 veterans' 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, \$6,350,000 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. \$440,000 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. 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.

(o) **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.

(p) **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. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(q) **Minnesota Military and Veterans Museum.** \$225,000 the second year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct

services to veterans and their families. The base for this appropriation is \$300,000 in fiscal year 2026 and each fiscal year thereafter.

(r) **Every Third Saturday.** \$100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday 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 no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(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.

(t) **Veterans Campground Wastewater System Upgrades.** \$744,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

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

Delete the title and insert:

"A bill for an act relating to veterans and military affairs; expanding the powers of the adjutant general; modifying veterans home provisions; modifying provisions related to armories; amending policy provisions related to veterans; extending the availability of a grant for the veterans Meals on Wheels program; amending Minnesota Statutes 2022, sections 190.16, subdivisions 3, 6a; 192.501, by adding a subdivision; 193.143; 193.29, subdivisions 1, 4; 193.36, subdivisions 2, 3, by adding subdivisions; 197.63, subdivision 1; 198.005; 198.006; 375.34; 375.35; Laws 2010, chapter 333, article 2, section 23, as amended; Laws 2023, chapter 38, article 1, section 3, subdivision 2."

And when so amended the bill do pass.

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

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

**S.F. No. 4741:** A bill for an act relating to local government; providing that the state shall indemnify Ramsey County and Ramsey County Regional Railroad Authority for excess liability resulting from rail-related incidents occurring at Union Depot in the city of St. Paul; proposing coding for new law in Minnesota Statutes, chapter 383A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary and Public Safety.

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

**Senator Dziejdzic from the Committee on State and Local Government and Veterans, to which was re-referred**

**S.F. No. 3474:** A bill for an act relating to education; establishing the Digital Citizenship, Internet Safety, and Media Literacy Advisory Council; requiring a report.

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

Page 1, line 8, delete "21" and insert "25"

Page 1, line 19, delete "and"

Page 1, after line 19, insert:

"(8) two people with expertise in computer science education;

(9) two representatives from school districts with expertise in student information systems and the data privacy issues surrounding those systems; and"

Page 1, line 20, delete "(8)" and insert "(10)"

Page 2, line 9, delete "February 14, 2025" and insert "January 14, 2026"

Page 2, line 14, delete "September 9," and insert "April 1, 2025"

Page 2, line 15, delete "2024"

Page 2, line 20, delete "February 15, 2025" and insert "January 15, 2026"

Page 2, after line 21, insert:

"Sec. 2. APPROPRIATION.

\$..... is appropriated in fiscal year 2025 from the general fund to the commissioner of education for costs associated with convening and providing administrative support to the Digital Citizenship, Internet Safety, and Media Literacy Advisory Council. The appropriation is available until June 30, 2026."

Amend the title as follows:

Page 1, line 3, before the period, insert "; appropriating money"

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

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

**Senator Dzierdzic from the Committee on State and Local Government and Veterans, to which was re-referred**

**S.F. No. 3471:** A bill for an act relating to education; establishing a state school librarian; amending Minnesota Statutes 2022, section 134.31, by adding a subdivision.

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

Page 1, line 11, delete everything after "(b)" and insert "The responsibilities of the state school librarian include, but are not limited to, providing advice and guidance in academic standards development and statewide library data collection from district and charter schools, and related activities. The state school librarian may provide advice and guidance to the Department of Education staff responsible for administering state library aid and monitoring district compliance."

Page 1, delete line 12

Page 1, line 13, delete everything before "The"

Page 1, line 17, delete "provide" and insert "support"

And when so amended the bill do pass and be re-referred to the Committee on Education 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. 4912:** A bill for an act relating to higher education; appropriating money for the academic health system at the University of Minnesota.

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

Delete everything after the enacting clause and insert:

"Section 1. [137.095] EVIDENCE IN SUPPORT OF APPROPRIATION.

Subdivision 1. **Written report.** Prior to the introduction of a bill proposing to appropriate money to the Board of Regents of the University of Minnesota to benefit the University of Minnesota's health sciences programs, the proponents of the bill must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and health and human services policy and finance setting out the information required by this section. The University of Minnesota's health sciences programs include the schools of medicine, nursing, public health, pharmacy, dentistry, and veterinary medicine.

Subd. 2. **Contents of report.** The report required under this section must include the following information as specifically as possible:

- (1) the dollar amount requested;
- (2) how the requested dollar amount was calculated;
- (3) the necessity for the appropriation's purpose to be funded by public funds;
- (4) a funds flow analysis supporting the necessity analysis required by clause (3);
- (5) University of Minnesota budgeting considerations and decisions impacting the necessity analysis required by clause (3);
- (6) all goals, outcomes, and purposes of the appropriation;
- (7) performance measures the University of Minnesota will utilize to ensure the funds are dedicated to the successful achievement of the goals, outcomes, and purposes identified in clause (6); and
- (8) the extent to which the appropriation advances recruitment from, and training for, health professionals in greater Minnesota and from underserved communities in metropolitan areas.

Subd. 3. **Certifications for academic health.** A report submitted under this section must include, in addition to the information listed in subdivision 2, a certification, by a duly authorized agent of the University of Minnesota who is anticipated to exercise control over the appropriation, that:

- (1) the appropriation will not be used to cover academic health clinical revenue deficits;
- (2) the goals, outcomes, and purposes of the appropriation are aligned with state goals for population health improvement; and
- (3) the appropriation is aligned with the University of Minnesota's strategic plan for its health sciences programs, including but not limited to shared goals and strategies for the health professional schools.

Subd. 4. **Right to request.** The chair of a standing committee in either house of the legislature may request and obtain the reports required under this section from the chair of a legislative committee with jurisdiction over higher education or health and human services policy and finance.

**EFFECTIVE DATE.** This section is effective July 1, 2024.



Sec. 2. **ANNUAL REPORT TO LEGISLATURE; USE OF APPROPRIATION FUNDS.**

By December 15, 2025, and every year thereafter, the Board of Regents of the University of Minnesota must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education and health and human services policy and finance on the use of all appropriations for the benefit of the University of Minnesota's health sciences programs, including:

(1) material changes to the funds flow analysis required by Minnesota Statutes, section 137.095, subdivision 2, clause (4);

(2) changes to the University of Minnesota's anticipated uses of each appropriation;

(3) the results of the performance measures required by Minnesota Statutes, section 137.095, subdivision 2, clause (7); and

(4) current and anticipated achievement of the goals, outcomes, and purposes of each appropriation.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 3. **DIRECTION TO COMMISSIONER OF HEALTH; HEALTH PROFESSIONS WORKFORCE ADVISORY COUNCIL.**

Subdivision 1. **Health professions workforce advisory council.** (a) The commissioner of health, in consultation with the University of Minnesota and the Minnesota State HealthForce Center of Excellence, shall provide recommendations to the legislature for the creation of a health professions workforce advisory council to:

(1) research and advise the legislature and Minnesota Office of Higher Education on the status and needs of the health workforce who are in training;

(2) provide information and analysis on health workforce issues, upon request, to the legislature, any state department, or any other entity the advisory council deems appropriate;

(3) review and comment on legislation relevant to Minnesota's health workforce; and

(4) study and provide recommendations regarding the following:

(i) health workforce supply, including:

(A) employment trends and demand;

(B) strategies that entities in Minnesota are using or may use to address health workforce shortages, recruitment, and retention; and

(C) future investments to increase the supply of health care professionals, with particular focus on critical areas of need within Minnesota;

(ii) options for training and educating the health workforce, including:

(A) increasing the diversity of health professions workers to reflect Minnesota's communities;

(B) addressing the maldistribution of primary, mental health, nursing, and dental providers in greater Minnesota and in underserved communities in metropolitan areas;

(C) increasing interprofessional training and clinical practice; and

(D) addressing the need for increased quality faculty to train an increased workforce;

(iii) increasing funding for strategies to diversify and address gaps in the health workforce, including:

(A) increasing access to financing for graduate medical education;

(B) expanding pathway programs to increase awareness of the health care professions among high school, undergraduate, and community college students, and engaging the current health workforce in those programs;

(C) reducing or eliminating tuition for entry-level health care positions that offer opportunities for future advancement in high-demand settings, and expanding other existing financial support programs such as loan forgiveness and scholarship programs;

(D) incentivizing recruitment from greater Minnesota, and recruitment and retention for providers practicing in greater Minnesota and in underserved communities in metropolitan areas; and

(E) expanding existing programs, or investing in new programs, that provide wraparound support services to existing health care workforce, especially people of color and professionals from other underrepresented identities, to acquire training and advance within the health care workforce; and

(iv) other Minnesota health workforce priorities as determined by the advisory council.

Subd. 2. **Report to the legislature.** On or before December 31, 2024, the commissioner of health shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and higher education finance and policy with recommendations for the creation of a health professions workforce advisory council as described in subdivision 1. The report must include recommendations regarding:

(1) membership of the advisory council;

(2) funding sources and estimated costs for the advisory council;

(3) existing sources of workforce data for the advisory council to perform its duties;

(4) necessity for and options to obtain new data for the advisory council to perform its duties;

(5) additional duties of the advisory council;

(6) proposed legislation to establish the advisory council;

(7) similar health workforce advisory councils in other states; and

(8) advisory council reporting requirements.

**Sec. 4. APPROPRIATION; HEALTH PROFESSIONS WORKFORCE ADVISORY COUNCIL.**

\$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of health to study and provide recommendations to the legislature for a health professions workforce advisory council. This is a onetime appropriation and is available until December 31, 2024.

**Sec. 5. APPROPRIATIONS; UNIVERSITY OF MINNESOTA; ACADEMIC HEALTH SYSTEM; REPORT.**

Subdivision 1. **Medical discovery teams.** \$25,000,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to establish up to four new medical discovery teams. The medical discovery teams should:

(1) encourage multidisciplinary faculty and discovery in critical areas impacting health care in Minnesota, including mental health, infectious disease, cancer, cardiovascular programs, and population health;

(2) promote faculty, physician, and interdisciplinary recruitments;

(3) achieve significant impacts, including new cures and treatments delivered by world-class providers; and

(4) provide new training and research opportunities for Minnesota students.

Subd. 2. **Underserved communities.** \$20,000,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to maintain and expand health care in underserved communities. This expansion of health care should include:

(1) investments in the Community University Hospital Clinic, mobile health partnership with Hennepin County, and University of Minnesota Physicians primary care clinics;

(2) serving more patients in underserved areas in culturally appropriate ways; and

(3) training more students in primary care and health equity.

Subd. 3. **Workforce development.** \$15,000,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to expand education and workforce development opportunities, including through the development of new career pathways for health care professionals. This expansion should seek to train more health care professionals, and to identify Minnesota-specific needs and targets. The University of Minnesota's six academic health science programs should be utilized to provide unique opportunities to:

(1) develop and expand workforce development opportunities to create additional openings for medical students;

(2) promote new programming in high-need areas such as mental health, respiratory therapy, and advanced dental therapy programs;

(3) expand addiction fellowships, and addiction and mental health tracks in residencies; and

(4) design pathways and partnerships for high-need professions with Minnesota state colleges and private colleges in Minnesota.

Subd. 4. **Primary care transformation.** \$10,000,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to transform primary care. The transformation should improve access to primary care and specialists around Minnesota, and increase support for physicians in rural and underserved communities. Such access may be achieved through:

(1) increasing and improving electronic consultations between providers and patients;

(2) increasing and improving online medical consultations for primary care providers to seek a specialist's opinion regarding a patient's diagnosis and treatment;

(3) building physician networks;

(4) promoting continuing medical education; and

(5) providing advanced telehealth.

Subd. 5. **New care model design.** \$5,000,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to support the Center for Learning Health Systems Sciences. Such support should be utilized to achieve better outcomes, cost efficiencies, and the ability to share best practices in health care delivery across health systems.

Subd. 6. **All systems innovation.** \$4,750,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to develop and implement solutions to common health care challenges across health care systems that include partnership with one or more health care systems. This may be achieved by:

(1) a prehospital care network;

(2) a rural health clinical trials network;

(3) strategies to address clinician burnout; or

(4) addressing other areas identified in consultation with the Minnesota Department of Health.

Subd. 7. **Public health care collaboration; report.** (a) \$250,000 is appropriated in fiscal year 2025 from the general fund to the Board of Regents of the University of Minnesota to support an analysis of opportunities for partnership between the state's public health care delivery entities: the University of Minnesota; Hennepin Health; and the Veterans Affairs hospitals. The purpose of this work is to determine the feasibility of shared facilities, common ancillary services, shared research infrastructure, clinical collaboration, and other interventions that drive cost efficiencies and enhance access for Minnesotans. The state requests that the University of Minnesota convene all three organizations to determine the scope of the work, select a vendor for the analysis, and oversee the project.

(b) On or before December 31, 2024, the University of Minnesota must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy outlining the findings, the next steps, and the resources necessary to achieve the goals set forth in the report."

Delete the title and insert:

"A bill for an act relating to higher education; requiring submission of information to the legislature prior to the introduction of a bill appropriating money to the Board of Regents of the University Minnesota; requiring annual reporting; directing the commissioner of health to provide recommendations for a health professions workforce advisory council; appropriating money for the academic health system at the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137."

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

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

**S.F. No. 3927:** A bill for an act relating to health; modifying membership of the Rare Disease Advisory Council; appropriating money; amending Minnesota Statutes 2022, section 256.4835, subdivisions 2, 4, by adding subdivisions.

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

Page 2, line 29, strike "serve without compensation, but" and after "may" insert "receive per diem compensation and"

Page 3, line 16, delete "..." and insert "three"

Page 5, delete section 6 and insert:

"Sec. 6. APPROPRIATION.

\$347,000 in fiscal year 2025 is appropriated from the general fund to the Rare Disease Advisory Council for advisory council operations. The base for the Rare Disease Advisory Council is increased by \$352,000 in fiscal year 2026 and \$357,000 in fiscal year 2027."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government and Veterans.

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

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

**S.F. No. 3531:** A bill for an act relating to health; prohibiting questions related to provider health conditions on credentialing applications; establishing the health care professional well-being recognition grant program; establishing the physician wellness program; requiring an awareness

campaign on well-being of health care workers; appropriating money; amending Minnesota Statutes 2022, section 62Q.097, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 214.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Health and Human Services.

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

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

**S.F. No. 3867:** A bill for an act relating to natural resources; modifying administrative penalty order authority for enforcing public water and drainage ditch buffer requirements; making certain lawns to legumes program data private; amending Minnesota Statutes 2022, sections 103B.101, subdivisions 12, 12a; 103F.48, subdivision 7; Minnesota Statutes 2023 Supplement, section 103B.104.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment, Climate, and Legacy.

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

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

**S.F. No. 3914:** A bill for an act relating to public safety; amending eligibility requirements for certain grants for sexual assault prevention; amending Minnesota Statutes 2022, section 611A.212, subdivision 1.

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

Page 1, line 7, after "for" insert "statewide"

And when so amended the bill do pass.

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

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

**S.F. No. 3975:** A bill for an act relating to transportation; establishing registration and operation requirements for roadable aircraft; establishing criminal penalties; amending Minnesota Statutes 2022, sections 168.002, subdivision 18; 168.12, subdivision 1; 169.011, subdivisions 3a, 44, by adding a subdivision; 169.79, by adding a subdivision; 360.013, by adding a subdivision; 360.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168; 169.

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

Page 7, line 26, delete "takes off or"

Page 7, line 27, delete "landowner" and insert "relevant road authority"

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

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

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

**S.F. No. 4065:** A bill for an act relating to consumer protection; modifying various provisions governing debt collection, garnishment, medical debt, and consumer finance; providing for debtor protections; modifying certain statutory forms; requiring a review of certain statutory forms; amending Minnesota Statutes 2022, sections 176.175, subdivision 2; 334.01, by adding a subdivision; 519.05; 550.37, subdivisions 2, 4, 6, 12a, 14, 20, 22, 23, by adding subdivisions; 550.39; 563.01, subdivisions 3, 4, 8, 9, 10; 563.02, subdivision 2; 571.72, subdivisions 6, 8, 9, 10; 571.911; 571.914, subdivision 1; 571.92; 571.921; 571.922; 571.924, subdivision 1; 571.925; Minnesota Statutes 2023 Supplement, sections 144.587, subdivisions 1, 4; 270A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 550; proposing coding for new law as Minnesota Statutes, chapter 332C.

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

Delete everything after the enacting clause and insert:

**"Section 1. 62J.805 DEFINITIONS.**

Subdivision 1. **Application.** For purposes of sections 62J.805 to 62J.808, the following terms have the meanings given.

Subd. 2. **Group practice.** "Group practice" has the meaning given to health care provider group practice in section 145D.01, subdivision 1.

Subd. 3. **Health care provider.** "Health care provider" means:

(1) a health professional who is licensed or registered by the state to provide health treatments and services within the professional's scope of practice and in accordance with state law;

(2) a group practice; or

(3) a hospital.

Subd. 4. **Health plan.** "Health plan" has the meaning given in section 62A.011, subdivision 3.

Subd. 5. **Hospital.** "Hospital" means a health care facility licensed as a hospital under sections 144.50 to 144.56.

Subd. 6. **Medically necessary.** "Medically necessary" means:

(1) safe and effective;

(2) not experimental or investigational, except as provided in Code of Federal Regulations, title 42, section 411.15(o);

(3) furnished in accordance with acceptable medical standards of medical practice for the diagnosis or treatment of the patient's condition or to improve the function of a malformed body member;

(4) furnished in a setting appropriate to the patient's medical need and condition;

(5) ordered and furnished by qualified personnel;

(6) meets, but does not exceed, the patient's medical need; and

(7) is at least as beneficial as an existing and available medically appropriate alternative.

Subd. 7. **Miscode.** "Miscode" means a health care provider or a health care provider's designee, using a coding system and for billing purposes, assigns a numeric or alphanumeric code to a health treatment or service provided to a patient and the code assigned does not accurately reflect the health treatment or service provided based on factors that include the patient's diagnosis and the complexity of the patient's condition.

Subd. 8. **Payment.** "Payment" includes co-payments and coinsurance and deductible payments made by a patient.

## Sec. 2. **[62J.806] POLICY FOR COLLECTION OF MEDICAL DEBT.**

Subdivision 1. **Requirement.** Each health care provider must make available to the public the health care provider's policy for the collection of medical debt from patients. This policy must be made available by:

(1) clearly posting it on the health care provider's website or, for health professionals, on the website of the health clinic, group practice, or hospital at which the health professional is employed or under contract; and

(2) providing a copy of the policy to any individual who requests it.

Subd. 2. **Content.** A policy made available under this section must at least specify the procedures followed by the health care provider for:

(1) communicating with patients about the medical debt owed and collecting medical debt;

(2) referring medical debt to a collection agency or law firm for collection; and

(3) identifying medical debt as uncollectible or satisfied, and ending collection activities.

## Sec. 3. **[62J.807] DENIAL OF HEALTH TREATMENTS OR SERVICES DUE TO OUTSTANDING MEDICAL DEBT.**

(a) A health care provider must not deny medically necessary health treatments or services to a patient or any member of the patient's family or household because of outstanding or previously outstanding medical debt owed by the patient or any member of the patient's family or household to the health care provider, regardless of whether the health treatment or service may be available from another health care provider.



(b) As a condition of providing medically necessary health treatments or services in the circumstances described in paragraph (a), a health care provider may require the patient to enroll in a payment plan for the outstanding medical debt owed to the health care provider.

**Sec. 4. [62J.808] BILLING AND PAYMENT FOR MISCODED HEALTH TREATMENTS AND SERVICES.**

Subdivision 1. **Participation and cooperation required.** Each health care provider must participate in, and cooperate with, all processes and investigations to identify, review, and correct the coding of health treatments and services that are miscoded by the health care provider or a designee.

Subd. 2. **Notice; billing and payment during review.** (a) When a health care provider receives notice, other than notice from a health plan company as provided in paragraph (b), or otherwise determines that a health treatment or service may have been miscoded, the health care provider must notify the health plan company administering the patient's health plan in a timely manner of the potentially miscoded health treatment or service.

(b) When a health plan company receives notice, other than notice from a health care provider as provided in paragraph (a), or otherwise determines that a health treatment or service may have been miscoded, the health plan company must notify the health care provider who provided the health treatment or service of the potentially miscoded health treatment or service.

(c) When a review of a potentially miscoded health treatment or service is commenced, the health care provider and health plan company must notify the patient that a miscoding review is being conducted and that the patient will not be billed for any health treatment or service subject to the review and is not required to submit payments for any health treatment or service subject to the review until the review is complete and any miscoded health treatments or services are correctly coded.

(d) While a review of a potentially miscoded health treatment or service is being conducted, the health care provider and health plan company must not bill the patient for, or accept payment from the patient for, any health treatment or service subject to the review.

Subd. 3. **Billing and payment after completion of review.** The health care provider and health plan company may bill the patient for, and accept payment from the patient for, the health treatment or service that was subject to the miscoding review only after the review is complete and any miscoded health treatments or services have been correctly coded.

**Sec. 5. [62Q.491] OUT-OF-POCKET MAXIMUM OR COST-SHARING REQUIREMENT; ENROLLEE CONTRIBUTION CALCULATION.**

(a) To the extent permitted by federal law, a health plan company must include any amounts paid by the enrollee or paid on behalf of the enrollee by another person when calculating an enrollee's overall contribution toward any out-of-pocket maximum or cost-sharing requirement under a health plan.

(b) For purposes of this section, "cost sharing" means a co-payment, coinsurance, or deductible.

Sec. 6. Minnesota Statutes 2023 Supplement, section 144.587, subdivision 4, is amended to read:

Subd. 4. **Prohibited actions.** (a) A hospital must not initiate one or more of the following actions until the hospital determines that the patient is ineligible for charity care or denies an application for charity care:

(1) offering to enroll or enrolling the patient in a payment plan;

(2) changing the terms of a patient's payment plan;

(3) offering the patient a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt;

(4) referring a patient's debt for collections, including in-house collections, third-party collections, revenue recapture, or any other process for the collection of debt; or

~~(5) denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or~~

~~(6)~~ (5) accepting a credit card payment of over \$500 for the medical debt owed to the hospital.

(b) A violation of section 62J.807 is a violation of this section.

Sec. 7. Minnesota Statutes 2022, section 176.175, subdivision 2, is amended to read:

Subd. 2. **Nonassignability.** No claim for compensation or settlement of a claim for compensation owned by an injured employee or dependents is assignable. Except as otherwise provided in this chapter, any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability, up to a total amount of \$1,000,000 per claim and subsequent award.

Sec. 8. [332C.01] DEFINITIONS.

Subdivision 1. **Application.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Collecting party.** "Collecting party" means a party engaged in the collection of medical debt. Collecting party does not include banks, credit unions, public officers, garnishees, and other parties complying with a court order or statutory obligation to garnish or levy a debtor's property.

Subd. 3. **Debtor.** "Debtor" means a person obligated or alleged to be obligated to pay any debt.

Subd. 4. **Medical debt.** "Medical debt" means debt incurred primarily for medically necessary health treatment or services. Medical debt does not include debt charged to a credit card unless the credit card is issued under a credit plan offered solely for the payment of health care treatment or services.

Subd. 5. **Medically necessary.** "Medically necessary" has the meaning given in section 62J.805, subdivision 6.

Subd. 6. **Person.** "Person" means any individual, partnership, association, or corporation.

Sec. 9. **[332C.02] PROHIBITED PRACTICES.**

No collecting party shall:

(1) in a collection letter, publication, invoice, or any oral or written communication, threaten wage garnishment or legal suit by a particular lawyer, unless the collecting party has actually retained the lawyer to do so;

(2) use or employ sheriffs or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing their legally authorized duties;

(3) use or threaten to use methods of collection which violate Minnesota law;

(4) furnish legal advice to debtors or represent that the collecting party is competent or able to furnish legal advice to debtors;

(5) communicate with debtors in a misleading or deceptive manner by falsely using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) publish or cause to be published any list of debtors, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation;

(7) operate under a name or in a manner which falsely implies the collecting party is a branch of or associated with any department of federal, state, county, or local government or an agency thereof;

(8) transact business or hold itself out as a debt settlement company, debt management company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates, or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee;

(9) unless an exemption in the law exists, violate Code of Federal Regulations, title 12, part 1006, while attempting to collect on any account, bill, or other indebtedness. For purposes of this section, Public Law 95-109 and Code of Federal Regulations, title 12, part 1006, apply to collecting parties;

(10) communicate with a debtor by use of an automatic telephone dialing system or an artificial or prerecorded voice after the debtor expressly informs the collecting party to cease communication utilizing an automatic telephone dialing system or an artificial or prerecorded voice. For purposes of this clause, an automatic telephone dialing system or an artificial or prerecorded voice includes but is not limited to (i) artificial intelligence chat bots, and (ii) the usage of the term under the Telephone Consumer Protection Act, United States Code, title 47, section 227(b)(1)(A);

(11) in collection letters or publications, or in any oral or written communication, imply or suggest that medically necessary health treatment or services will be denied as a result of a medical debt;

(12) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the collecting party, except a person who resides with the debtor or a third party with whom the debtor has authorized with the collecting party to place the request. This clause does not apply to a call back message left at the debtor's place of employment which is limited solely to the collecting party's telephone number and name;

(13) when attempting to collect a medical debt, fail to provide the debtor with the full name of the collecting party, as registered with the secretary of state;

(14) fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

(15) accept currency or coin as payment for a medical debt without issuing an original receipt to the debtor and maintain a duplicate receipt in the debtor's payment records;

(16) attempt to collect any amount, including any interest, fee, charge, or expense incidental to the charge-off obligation, from a debtor unless the amount is expressly authorized by the agreement creating the medical debt or is otherwise permitted by law;

(17) falsify any documents with the intent to deceive;

(18) when initially contacting a Minnesota debtor by mail to collect a medical debt, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice, that includes and identifies the Office of the Minnesota Attorney General's general telephone number, and states: "You have the right to hire your own attorney to represent you in this matter.";

(19) commence legal action to collect a medical debt outside the limitations period set forth in section 541.053;

(20) report to a credit reporting agency any medical debt which the collecting party knows or should know is or was originally owed to a health care provider, as defined in section 62J.805, subdivision 3; or

(21) challenge a debtor's claim of exemption to garnishment or levy in a manner that is baseless, frivolous, or otherwise in bad faith.

**Sec. 10. [332C.03] MEDICAL DEBT REPORTING PROHIBITED.**

(a) A collecting party is prohibited from reporting medical debt to a consumer reporting agency.

(b) A consumer reporting agency is prohibited from making a consumer report containing an item of information that the consumer reporting agency knows or should know concerns:

(1) medical information; or

(2) debt arising from:

(i) the provision of medical care, treatment, services, devices, or medicines; or

(ii) procedures to maintain, diagnose, or treat a person's physical or mental health.

(c) For purposes of this section, "consumer report," "consumer reporting agency," and "medical information" have the meanings given them in the Fair Credit Reporting Act, under United States Code, title 15, section 1681a.

(d) This section also applies to collection agencies and debt buyers licensed under chapter 332.

Sec. 11. **[332C.04] DEFENDING MEDICAL DEBT CASES.**

A debtor who successfully defends against a claim for payment of medical debt that is alleged by a collecting party must be awarded the debtor's costs, including reasonable attorney fees as determined by the court, incurred in defending against the collecting party's claim for debt payment. For the purposes of this section, a resolution mutually agreed upon by the debtor and collecting party is not a successful defense.

Sec. 12. **[332C.05] ENFORCEMENT.**

(a) The attorney general may enforce this chapter under section 8.31. An action brought under this section benefits the public.

(b) A collecting party that violates this chapter is strictly liable to the debtor in question for the sum of:

(1) actual damage sustained by the debtor as a result of the violation;

(2) additional damages as the court may allow, but not exceeding \$1,000 per violation; and

(3) in the case of any successful action to enforce the foregoing, the costs of the action, together with a reasonable attorney fee as determined by the court.

(c) A collecting party that willfully and maliciously violates this chapter is strictly liable to the debtor for three times the sums allowable under paragraph (b), clauses (1) and (2).

(d) The dollar amount limit under paragraph (b), clause (2), changes on July 1 of each even-numbered year in an amount equal to changes made in the Consumer Price Index, compiled by the United States Bureau of Labor Statistics. The Consumer Price Index for December 2024 is the reference base index. If the Consumer Price Index is revised, the percentage of change made under this section must be calculated on the basis of the revised Consumer Price Index. If a Consumer Price Index revision changes the reference base index, a revised reference base index must be determined by multiplying the reference base index that is effective at the time by the rebasing factor furnished by the Bureau of Labor Statistics.

(e) If the Consumer Price Index is superseded, the Consumer Price Index referred to in this section is the Consumer Price Index represented by the Bureau of Labor Statistics as most accurately reflecting changes in the prices paid by consumers for consumer goods and services.

(f) The attorney general must publish the base reference index under paragraph (c) in the State Register no later than September 1, 2024. The attorney general must calculate and then publish the revised Consumer Price Index under paragraph (c) in the State Register no later than September 1 each even-numbered year.

(g) A collecting party may not be held liable in any action brought under this section if the collecting party shows by a preponderance of evidence that the violation:

(1) was not intentional and resulted from a bona fide error made notwithstanding the maintenance of procedures reasonably adopted to avoid any such error; or

(2) was the result of inaccurate or incorrect information provided to the collecting party by a health care provider, as defined in section 62J.805, subdivision 3; a health carrier, as defined in section 62A.011, subdivision 2; or another collecting party currently or previously engaged in collection of the medical debt in question.

Sec. 13. Minnesota Statutes 2022, section 519.05, is amended to read:

**519.05 LIABILITY OF ~~HUSBAND AND WIFE~~ SPOUSES.**

(a) A spouse is not liable to a creditor for any debts of the other spouse. ~~Where husband and wife are living together, they shall be jointly and severally liable for necessary medical services that have been furnished to either spouse, including any claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and necessary household articles and supplies furnished to and used by the family.~~ Notwithstanding this paragraph, in a proceeding under chapter 518 the court may apportion such debt between the spouses.

(b) Either spouse may close a credit card account or other unsecured consumer line of credit on which both spouses are contractually liable, by giving written notice to the creditor.

(c) Nothing in this section prevents a claim against an estate.

Sec. 14. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

Subd. 2. ~~Bible and musical instrument~~ **Sacred possessions.** The family Bible, library, and musical instruments Torah, Qur'an, prayer rug, and other religious items in an aggregate not exceeding \$2,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 15. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding \$750.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 16. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not exceeding \$2,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 17. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 2c. **Family pets.** Family pets in an aggregate amount not exceeding \$1,000.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 18. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor's family.

(b) Household furniture, household appliances, ~~phonographs, radio and television receivers~~ radios, computers, tablets, televisions, printers, cell phones, smart phones, and other consumer electronics of the debtor and the debtor's family, not exceeding \$11,250 in value.

(c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings or other religious or culturally recognized symbols of marriage exchanged between the debtor and spouse at the time of the marriage and in the debtor's possession~~ jewelry.

The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

If a debtor has property of the type which would qualify for the exemption under clause (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan is made.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 19. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent of a value not exceeding ~~\$5,000~~ \$10,000; ~~or~~ (2) one motor vehicle that is regularly used by or for the benefit of a physically disabled person, as defined under section 169.345, subdivision 2, to the extent of a value not exceeding \$25,000; (3) one motor vehicle, to the extent of a value not exceeding ~~\$50,000~~ \$100,000, that has been designed or modified, at a cost of not less than \$3,750, to accommodate the physical disability making a disabled person eligible for a certificate authorized by section 169.345; or (4) one motor vehicle reasonably necessary for use in the trade, business, or profession of the debtor, to the extent of a value not to exceed \$12,500.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 20. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

Subd. 14. **Public assistance.** All government assistance based on need, and the earnings or salary of a person who is a recipient of government assistance based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, government assistance based on need includes but is not limited to Minnesota family investment program; Supplemental Security Income; medical assistance; MinnesotaCare; payment of Medicare part B premiums or receipt of part D extra help; MFIP diversionary work program; work participation cash benefit; Minnesota supplemental assistance; emergency Minnesota supplemental assistance; general assistance; emergency general assistance; emergency assistance or county crisis funds; energy or fuel assistance; ~~and~~ Supplemental Nutrition Assistance Program (SNAP); and the portion of any tax refund attributable to a state or federal tax credit, including but not limited to the earned income tax credit, state or federal child tax credit, Minnesota working family credit, renter's credit, or any low-income tax credit. The salary or earnings of any debtor who is or has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing government assistance and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, within the preceding six months.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 21. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

Subd. 22. **Rights of action.** Rights of action for injuries to the person of the debtor or of a relative whether or not resulting in death. Injuries to the person include physical, mental, and emotional injuries.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 22. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value of any unmaturing life insurance ~~contract~~ contracts owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.



**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 23. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to read:

Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to exceed \$3,000, in household tools and equipment, including but not limited to hand and power tools, snow removal equipment, and lawnmowers.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 24. Minnesota Statutes 2022, section 550.39, is amended to read:

**550.39 EXEMPTION OF INSURANCE POLICIES.**

The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise, up to a total amount of \$1,000,000 per claim and subsequent award.

Sec. 25. Minnesota Statutes 2022, section 563.01, subdivision 4, is amended to read:

Subd. 4. **Payment of expenses.** Upon order of the court, the court administrator and the sheriff of any Minnesota county shall perform their duties without charge to the person proceeding ~~in forma pauperis~~ with a court fee waiver. The court shall direct payment of the reasonable expense of service of process pursuant to subdivision 2 if served by a private process server, if the sheriff is unavailable, or by publication.

Sec. 26. Minnesota Statutes 2022, section 563.01, subdivision 8, is amended to read:

Subd. 8. **Appellate briefs.** In any case on appeal the appellate court shall, upon granting permission to proceed ~~in forma pauperis~~ with a court fee waiver following application in the manner provided in subdivision 3, direct payment of the reasonable expenses incurred in obtaining the record and reproducing the appellate briefs.

Sec. 27. Minnesota Statutes 2022, section 563.01, subdivision 9, is amended to read:

Subd. 9. **Rescinding ~~in forma pauperis status~~ court fee waiver.** Upon motion, the court may rescind ~~its~~ permission to proceed ~~in forma pauperis~~ with a court fee waiver if ~~it~~ the court finds the allegations of poverty contained in the affidavit are untrue, or if, following commencement of the action, the party becomes able to pay the fees, costs and security for the costs. In such cases, the court may direct the party to pay to the court administrator any costs allowing the action to proceed. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 28. Minnesota Statutes 2022, section 563.01, subdivision 10, is amended to read:

Subd. 10. **Judgment.** Judgment may be rendered for costs at the conclusion of the action as in other cases. In the event any person recovers moneys by either settlement or judgment as a result of commencing or defending an action ~~in forma pauperis~~ with a court fee waiver, the costs deferred and the expenses directed by the court to be paid under this section shall be included in such moneys and shall be paid directly to the court administrator by the opposing party. The court administrator shall transmit the costs to the commissioner of management and budget for deposit in the state treasury and credit them to the general fund.

Sec. 29. Minnesota Statutes 2022, section 563.02, subdivision 2, is amended to read:

Subd. 2. **Inmate request to ~~proceed in forma pauperis~~ waive court fees.** (a) An inmate who wishes to commence a civil action ~~by proceeding in forma pauperis~~ with court fee waived must meet the following requirements, in addition to the requirements of section 563.01, subdivision 3:

(1) exhaust the inmate complaint procedure developed under the commissioner of corrections policy and procedure before commencing a civil action against the department, and state in the application to ~~proceed in forma pauperis~~ wave court fees that the inmate has done so; and

(2) include the following information in an affidavit submitted under section 563.01:

(i) a statement that the inmate's claim is not substantially similar to a previous claim brought by the inmate against the same party, arising from the same operative facts, and in which there was an action that operated as an adjudication on the merits;

(ii) complete information on the inmate's identity, the nature and amount of the inmate's income, spouse's income, if available to the inmate, real property owned by the inmate, and the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

(iii) the most recent monthly statement provided by the commissioner of corrections showing the balance in the inmate's inmate account.

(b) The inmate shall also attach a written authorization for the court to obtain at any time during pendency of the present action, without further authorization from the inmate, a current statement of the inmate's inmate account balance, if needed to determine eligibility to proceed with bringing a civil action ~~in forma pauperis~~ with court fees waived. An inmate who has no funds in an inmate account satisfies the requirement of section 563.01, subdivision 3, clause (c).

(c) An inmate who seeks to proceed as a plaintiff ~~in forma pauperis~~ with court fees waived must file with the court the complaint in the action and the affidavit under this section before serving the complaint on an opposing party.

(d) An inmate who has funds in an inmate account may only proceed as a plaintiff in a civil action by paying the lesser of:

(1) the applicable court filing fee; or

(2) 50 percent of the balance shown in the inmate's account according to the statement filed with the court under this subdivision, consistent with the requirements of section 243.23, subdivision 3.

(e) If an inmate elects to proceed under paragraph (d), the court shall notify the commissioner of corrections to withdraw from the inmate's account the amount required under this section and forward the amount to the court administrator in the county where the action was commenced. The court shall also notify the commissioner of corrections of the amount of the filing fee remaining unpaid. The commissioner shall continue making withdrawals from the inmate's account and forwarding the amounts withdrawn to the court administrator, at intervals as the applicable funds in the inmate's account equal at least \$10, until the entire filing fee and any costs have been paid in full.

Sec. 30. Minnesota Statutes 2022, section 571.72, subdivision 6, is amended to read:

Subd. 6. **Bad faith claim.** If, in a proceeding brought under subdivision 9, section 571.91, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. If the claim of exemption is upheld, and the court finds that the creditor disregarded the claim of exemption in bad faith, the debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed \$100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid an appropriate judgment in favor of the attorney shall be entered.

Sec. 31. Minnesota Statutes 2022, section 571.72, subdivision 9, is amended to read:

Subd. 9. **Motion to determine objections.** (a) This subdivision applies to all garnishment proceedings governed by this chapter. An objection regarding a garnishment must be interposed as provided in section 571.914, subdivision 1, in the form provided under section 571.914, subdivision 2.

(b) Upon motion of any party in interest, on notice, the court shall determine the validity of any claim of exemption and may make any order necessary to protect the rights of those interested.

(c) Upon receipt of a claim of exemption by the debtor, the creditor must interpose an objection within ten business days of the date the exemption claim was received. An objection must be interposed:

(1) in the district court that issued the judgment, filing the Notice of Objection and requesting a hearing; and

(2) mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the garnishee and one copy of the Notice of Objection and Notice of Hearing to the debtor.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 32. Minnesota Statutes 2022, section 571.914, subdivision 1, is amended to read:

Subdivision 1. **Objections and request for hearing.** ~~An objection shall be interposed, within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the debtor.~~

(a) The Notice of Objection and Notice of Hearing form must be substantially in the form set out in subdivision 2.

(b) The court administrator may charge a fee of \$1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

(c) An order stating whether the debtor's funds are exempt shall be issued by the court within three days of the date of the hearing.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 33. Minnesota Statutes 2022, section 571.921, is amended to read:

**571.921 DEFINITIONS.**

For purposes of sections 571.921 to ~~571.926~~ 571.927, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee, independent contractor, or self-employed person for personal service, whether denominated as wages, salary, commissions, bonus, payments, profit-sharing distribution, severance payment, fees, or otherwise, and includes periodic payments pursuant to a pension or retirement program;

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.003, subdivision 3a.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual ~~who performs services subject to the right of the employer to control both what is done and how it is done,~~ whether currently or formerly employed, who is owed earnings and who is treated by an employer as an employee for federal employment tax purposes.

(d) "Employer" means a person ~~for whom an individual performs services as an employee who~~ owes or will owe earnings to an employee.

(e) "Independent contractor" means an individual who receives or is owed earnings from an employer through periodic payments and is not treated by the employer as an employee for federal employment tax purposes.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 34. Minnesota Statutes 2022, section 571.922, is amended to read:

**571.922 LIMITATION ON WAGE GARNISHMENT.**

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings; or if the debtor's weekly income exceeds 80 times the greater of the minimum hourly wages described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii);

(2) 20 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 60 times but is less than or equal to 80 times the greater of the minimum hourly wages described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii);

(3) ten percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times but is less than or equal to 60 times the greater of the minimum hourly wages described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii); or

(4) the amount by which the debtor's disposable earnings exceed the greater of:

(i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (b), clause (1), item (iii); or

(ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation of the amount that is subject to garnishment must be based on the hourly wage in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(b) If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

Wage garnishments on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

**EFFECTIVE DATE.** This section is effective April 1, 2025, and applies to causes of action commenced on or after that date.

Sec. 35. Minnesota Statutes 2022, section 571.927, is amended to read:

**571.927 PENALTY FOR RETALIATION FOR GARNISHMENT.**

Subdivision 1. **Prohibition.** An employer shall not discharge or otherwise discipline an employee or independent contractor as a result of an earnings garnishment authorized by this chapter.

Subd. 2. **Remedy.** If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee or employer-independent contract relationship existed before the violation of this section, the employee or independent contractor shall recover twice the ~~wages~~ earnings lost as a result of this violation.

Subd. 3. **Nonwaiver.** The rights guaranteed by this section may not be waived or altered by ~~employment~~ contract.

**EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to causes of action commenced on or after that date.

Sec. 36. **GARNISHMENT FORMS REVISION.**

(a) The attorney general must review and make recommendations to revise into plain language and ensure comportment with law the notices and forms found in Minnesota Statutes, sections 571.72, subdivisions 8 and 10; 571.74; 571.75, subdivision 2; 571.912; and 571.925.

(b) The attorney general must review and determine whether the forms contained in Minnesota Statutes, sections 571.711; 571.914; 571.931, subdivision 6; and 571.932, subdivision 2, should be revised (1) into a more easily readable and understandable format, and (2) to ensure comportment

with law. If the attorney general determines the forms should be revised, the attorney general must make recommendations for legislative revisions to the forms.

(c) The recommendations made under paragraphs (a) and (b) must include proposals to: (1) explain in simple terms the meaning of garnishment in any form that uses the term garnishment; and (2) prominently place on forms the name, telephone number, and email address of the creditor.

(d) When developing the recommendations, the attorney general must consult with the Center for Plain Language and other plain language experts the attorney general may identify, and must collaborate with the Office of the Attorney General and affected business and consumer groups, including but not limited to:

(1) the Minnesota Creditors' Rights Association;

(2) the Great Lakes Credit and Collections Association;

(3) the Minnesota Bankers' Association;

(4) the Minnesota Credit Union Network;

(5) BankIn Minnesota;

(6) Mid-Minnesota Legal Aid;

(7) the Minnesota chapter of the National Association of Consumer Advocates;

(8) the Minnesota chapter of the National Association of Consumer Bankruptcy Attorneys;

(9) Lutheran Social Service; and

(10) Family Means.

(e) For the purposes of this section, "plain language" means communication in which the wording, structure, and design are so clear that the intended reader can easily:

(1) find what the reader needs;

(2) understand what the reader needs; and

(3) use what the reader finds to meet the reader's needs.

**Sec. 37. REVISOR INSTRUCTION.**

The revisor of statutes shall change the headnote for Minnesota Statutes, section 563.01, to "COURT FEE WAIVER; AUTHORIZATION."

Amend the title as follows:

Page 1, line 4, delete "modifying certain statutory forms;"

Amend the title numbers accordingly

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

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

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

**S.F. No. 4269:** A bill for an act relating to higher education; prohibiting postsecondary institutions from considering certain criminal records during the application process; providing that postsecondary education participation satisfies employment requirements for persons on postprison supervised release; suspending student loan payments for incarcerated borrowers; modifying the commissioner of corrections' authority relating to prison education partnerships in certain instances; repealing the prohibition on the commissioner of corrections paying for college costs of certain incarcerated persons; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 241; 244; repealing Minnesota Statutes 2022, sections 241.265; 609B.311.

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

Page 1, line 18, delete everything before "609.342" and insert "609.221; 609.2242, subdivision 4; 609.2247; 609.245, subdivision 1; 609.247, subdivision 2; 609.282; 609.322;"

Page 1, line 19, before "or" insert "609.561, subdivision 1 or 2; 609.582, subdivision 1; 609.66, subdivision 1e;"

Page 2, after line 13, insert:

"Subd. 5. **Limitation on admissibility.** (a) A postsecondary institution that complies with this section is immune from liability in a civil action arising out of the institution's decision to admit a student with a criminal history or the institution's failure to conduct a criminal background check.

(b) Nothing in this section creates or establishes a legal duty upon a postsecondary institution to inquire into or require disclosure of the criminal history or criminal convictions of a student or an applicant for admission."

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

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

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

**S.F. No. 4433:** A bill for an act relating to environment; modifying enforcement authority; appropriating money; amending Minnesota Statutes 2022, sections 115.071, subdivisions 1, 4, by adding subdivisions; 116.07, subdivision 9, by adding subdivisions; 116.11; Minnesota Statutes 2023 Supplement, section 115.03, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment, Climate, and Legacy.

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



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

**S.F. No. 4729:** A bill for an act relating to elections; modifying various provisions related to election administration; modifying various provisions relating to campaign finance and lobbying; amending definitions; amending requirements related to voter registration; amending absentee voting laws; modifying the authority of the Campaign Finance and Public Disclosure Board to impose a civil penalty and late fees; amending electioneering communications laws; requiring the Campaign Finance and Public Disclosure Board to oversee campaign finance reporting requirements for political committees, political funds, and party units engaged in campaign activity for certain local elected offices and ballot questions for local governments; providing a separate process for presidential election contests; requiring the allocation and exclusion of certain incarcerated persons based on their last known address in Minnesota for purposes of redistricting; modifying requirements for filling vacancies; requiring local governments to use a .gov domain; modifying the deep fake election crime; expanding scope of doxing crimes; classifying data; making technical and conforming changes; amending Minnesota Statutes 2022, sections 10A.01, subdivisions 7, 10d, 33, by adding a subdivision; 10A.27, subdivision 17; 123B.09, subdivision 5b; 201.071, subdivision 3; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 209.01, subdivision 2; 211A.01, subdivisions 3, 7, 8, by adding a subdivision; 211A.02, subdivision 2; 211A.05, subdivision 1; 211A.06; 211A.07; 211A.12; 211A.14; 211B.17, subdivision 1; 211B.18; 375.08; 447.32, subdivision 3; 609.5151, subdivisions 1, 2; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 5.305, subdivision 5; 10A.01, subdivision 21; 10A.04, subdivision 6; 10A.20, subdivisions 2a, 12; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.091, subdivision 4; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 211A.02, subdivision 1; 211B.076, subdivision 4; 243.205, by adding a subdivision; 609.771, subdivisions 1, 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 2; 241; 375; 471; proposing coding for new law as Minnesota Statutes, chapter 209A; repealing Minnesota Statutes 2022, sections 211A.01, subdivisions 2, 4; 211A.02, subdivision 4; 383B.031; Minnesota Statutes 2023 Supplement, sections 10A.201, subdivision 11; 243.205, subdivision 3.

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

Page 2, after line 3, insert:

**"ARTICLE 1****ELECTIONS, CAMPAIGN FINANCE, AND REDISTRICTING POLICY"**

Page 54, line 7, after the first comma, insert "who" and after "or" insert "who"

Page 57, delete section 93

Page 58, line 18, strike "reasonably should know that" and insert "acts with reckless disregard about whether"

Page 58, line 20, before "presidential" insert "or after the start of the absentee voting period prior to a" and after "presidential" insert "nomination"

Page 58, delete lines 25 to 29 and insert:

"(b) This subdivision does not apply to a broadcaster who disseminates a deep fake produced by a candidate if the broadcaster's dissemination is required by federal law.

(c) A regularly published newspaper, magazine, or other periodical; a radio or television broadcasting station, including a cable or satellite television operator, programmer, or producer; or a streaming service is not in violation of this section if the entity distributes political advertisements prohibited by this section as part of a bona fide newscast, news interview, news documentary, or on-the-spot coverage of a bona fide news event if the broadcast or publication clearly acknowledged through content or a disclosure, in a manner that can easily be heard and understood or read by the average listener or viewer, that there are questions about the authenticity of the election communication."

Page 61, line 26, delete "act" and insert "article"

Page 61, after line 26, insert:

## **"ARTICLE 2**

### **MINNESOTA VOTING RIGHTS ACT**

Section 1. **[200.50] MINNESOTA VOTING RIGHTS ACT.**

Sections 200.50 to 200.59 may be cited as the "Minnesota Voting Rights Act."

Sec. 2. **[200.52] DEFINITIONS.**

Subdivision 1. **Application.** As used in sections 200.50 to 200.59, the terms as defined in this section have the meanings given.

Subd. 2. **Disparity.** "Disparity" means any variance that is supported by validated methodologies and, where relevant, is statistically significant.

Subd. 3. **Government official.** "Government official" means any individual who is elected or appointed to an office in this state or a political subdivision or who is authorized to act in an official capacity on behalf of the state or a political subdivision.

Subd. 4. **Language minority group.** "Language minority group" means a language minority group as that term is defined in the federal Voting Rights Act of 1965, as amended, as of the effective date of this act.

Subd. 5. **Method of election.** (a) "Method of election" means the method by which candidates are elected to the legislative body of a political subdivision, and includes at-large method of election,

district-based method of election, or any alternative method of election. Method of election also includes the districting or redistricting plan used to elect candidates to the legislative body of a political subdivision.

(b) "At-large method of election" means a method of electing candidates to the legislative body of a political subdivision in which candidates are voted on by all voters of the political subdivision or that combines at-large with district-based elections. At-large method of election does not include any alternative method of election.

(c) "District-based method of election" means a method of electing candidates to the legislative body of a political subdivision in which, for political subdivisions divided into districts, a candidate for any district is required to reside in the district and candidates representing or seeking to represent the district are voted on by only the voters who reside in the district. District-based method of election does not include any alternative method of election.

(d) "Alternative method of election" means a method of electing candidates to the legislative body of a political subdivision other than an at-large method of election or a district-based method of election and includes but is not limited to cumulative voting, limited voting, and proportional ranked choice voting.

Subd. 6. **Political subdivision.** "Political subdivision" means a county, city, town, or school district.

Subd. 7. **Politically cohesive.** "Politically cohesive" means that members of a group tend to prefer the same candidates, electoral choices, or policies.

Subd. 8. **Protected class.** "Protected class" means a class of citizens who are members of a racial, color, or language minority group, or who are members of a federally recognized Indian Tribe, including a class of two or more such groups.

Subd. 9. **Polarized voting.** "Polarized voting" means voting in which the candidate or electoral choice preferred by a protected class diverges from the candidate or electoral choice preferred by other voters.

Subd. 10. **Vote; voting.** "Vote" or "voting" includes any action necessary to cast a ballot and make that ballot count in any election, including but not limited to: registering to vote; applying for an absentee ballot; and any other action required by law as a prerequisite to casting a ballot and having that ballot counted, canvassed, certified, and included in the appropriate totals of votes cast with respect to an election.

Subd. 11. **Voting eligible population.** "Voting eligible population" means those individuals who are eligible to register and vote, regardless of whether the individuals are registered to vote.

### Sec. 3. **[200.53] CONSTRUCTION AND USE OF AUTHORITY.**

A law, rule, local law, charter provision, local ordinance, or local code relating to the right to vote, or which grants authority to prescribe or maintain voting or elections policies and practices, must be construed or applied liberally in favor of a voter's exercise of the right of suffrage. To the extent a court is afforded discretion on an issue, including but not limited to discovery, procedure,

admissibility of evidence, or remedies, the court must exercise that discretion and weigh other equitable discretion in favor of this right.

Sec. 4. **[200.54] VOTER SUPPRESSION AND VOTE DILUTION PROHIBITED.**

Subdivision 1. **Voter suppression.** (a) A political subdivision or any other government official or entity responsible for election administration must not adopt or apply a qualification for eligibility to vote or other prerequisite to voting; adopt or apply any law, ordinance, rule, standard, practice, procedure, or policy regarding the administration of elections; or take any other action or fail to take any action that results in, is likely to result in, or is intended to result in a denial or abridgement of the right to vote by a member of a protected class.

(b) A violation of this subdivision may be established if:

(1) the challenged qualification, law, ordinance, rule, standard, practice, procedure, policy, or action results in:

(i) a disparity in voter participation;

(ii) access to voting opportunities; or

(iii) the opportunity or ability to participate in the political process between a protected class and other members of the electorate; and

(2) the totality of the circumstances show that the challenged qualification, law, ordinance, rule, standard, practice, procedure, policy, or action is related to social and historical conditions affecting members of the protected class.

Subd. 2. **Vote dilution.** (a) A political subdivision or any other government official or entity responsible for election administration must not adopt or enforce any method of election, or cause an annexation, incorporation, dissolution, consolidation, or division of a political subdivision, that has the effect of impairing the equal opportunity or ability of members of a protected class to nominate or elect candidates of their choice as a result of diluting the vote of members of that protected class.

(b) A violation of paragraph (a) exists when it is shown that:

(1) either:

(i) elections in a political subdivision exhibit polarized voting resulting in an impairment of the equal opportunity or ability of protected class members to nominate or elect candidates of their choice; or

(ii) based on the totality of the circumstances, the equal opportunity or ability of protected class members to nominate or elect candidates of their choice is impaired; and

(2) one or more new methods of election or changes to the existing method of election exist that the court could order pursuant to section 200.58 would likely mitigate the impairment.

(c) To the extent that a new method of election or change to the existing method of election that is presented under paragraph (b), clause (2), is a proposed district-based plan that provides protected class members with one or more reasonably configured districts in which the protected class members would have an equal opportunity or ability to nominate or elect candidates of the protected class members' choice, it is not necessary to show that members of a protected class comprise a majority of the total population, voting age population, voting eligible population, or registered voter population in any such district or districts.

(d) The fact that members of a protected class are not geographically compact does not preclude a finding of a violation of this subdivision but may be a factor in determining whether an appropriate remedy exists that would likely mitigate the impairment.

(e) For claims brought on behalf of a protected class, including one consisting of two or more racial, color, Tribal, or language minority groups that are politically cohesive in the political subdivision, the court shall consider only the combined electoral preferences of those racial, color, Tribal, or language minority groups in determining whether voting by the protected class is polarized from other voters. It is not necessary to demonstrate that voting by members of each racial, color, Tribal, or language minority group within a protected class, or by any subgroup within a racial, color, or language minority group, is separately polarized from other voters.

(f) Evidence concerning the causes of, or the reasons for, the occurrence of polarized voting is not relevant to the determination of whether polarized voting occurs, or whether candidates or electoral choices preferred by a protected class would usually be defeated. Evidence concerning alternate explanations for polarized voting patterns or election outcomes, including but not limited to partisan explanations, must not be considered.

(g) Evidence concerning projected changes in population or demographics may only be considered when determining whether an appropriate remedy exists that would likely mitigate the impairment.

#### **Sec. 5. [200.55] RELEVANT FACTORS FOR DETERMINING VIOLATION.**

Subdivision 1. **Factors established.** In determining whether, under the totality of the circumstances, a violation of section 200.54 has occurred with respect to a protected class, a court may consider any of the following factors:

(1) the history of discrimination affecting members of the protected class;

(2) the extent to which members of the protected class are disadvantaged, or otherwise bear the effects of past public or private discrimination, in any areas that may hinder their ability to participate effectively in the political process, including education, employment, health, criminal justice, housing, transportation, land use, or environmental protection;

(3) whether members of the protected class vote at a lower rate than other voters;

(4) the use of overt or subtle racial appeals in political campaigns or by government officials;

(5) the extent to which members of the protected class have been elected to office;

(6) the extent to which members of the protected class have faced barriers with respect to accessing the ballot, receiving financial support, or receiving any other support for their candidacies for elective office;

(7) the extent to which candidates who are members of a protected class face hostility or barriers while campaigning due to the protected class membership;

(8) the extent of polarized voting;

(9) the use of any standard, practice, procedure, or policy that may enhance the dilutive effects of a challenged method of election;

(10) the lack of responsiveness by elected officials to the particularized needs of protected class members or a community of protected class members;

(11) whether the challenged method of election, ordinance, resolution, rule, policy, standard, regulation, procedure, or law was designed to advance, and does materially advance, an important state interest that is substantiated and supported by evidence; and

(12) other factors the court may deem relevant.

Subd. 2. **Necessity of factors.** No one factor in subdivision 1 is dispositive or necessary to establish the existence of a violation of section 200.54, nor shall any specified number or combination of factors be required in establishing that such a violation has occurred. The court shall consider a particular factor only if and to the extent evidence pertaining to that factor is introduced. The absence of evidence as to any particular factor does not preclude a finding of a violation of section 200.54.

Subd. 3. **Claims involving a political subdivision.** To the extent a claim concerns a political subdivision, evidence of the factors in subdivision 1 is most probative if the evidence relates to the political subdivision in which the alleged violation occurred, but still holds probative value if the evidence relates to the geographic region in which that political subdivision is located or to this state.

Subd. 4. **Evidence of intent.** Evidence concerning the intent of voters, elected officials, or the political subdivision to discriminate against members of a protected class is not required to find a violation of section 200.54.

Subd. 5. **Factors that must be excluded.** In determining whether a violation of section 200.54 has occurred, a court shall not consider any of the following:

(1) the number of protected class members not burdened by the challenged qualification, prerequisite, standard, practice, or procedure;

(2) the degree to which the challenged qualification, prerequisite, standard, practice, or procedure has a long pedigree or was in widespread use at some earlier date;

(3) the use of an identical or similar qualification, prerequisite, standard, practice, or procedure in other states or jurisdictions;

(4) the availability of other forms of voting unimpacted by the challenged qualification, prerequisite, standard, practice, or procedure to all members of the electorate, including members of the protected class;

(5) an impact on potential criminal activity by individual voters, if those crimes have not occurred in the political subdivision in substantial numbers, or if the connection between the challenged policy and any claimed prophylactic effect is not supported by substantial evidence; or

(6) mere invocation of interests in voter confidence or prevention of fraud.

Sec. 6. **[200.56] PRESUIT NOTICE.**

Subdivision 1. **Notice required.** (a) Except as provided in this section, before filing an action a prospective plaintiff shall send a notice letter to the political subdivision identifying the potential violation, the affected protected class, and the type of remedy the potential plaintiff believes may address the potential violation. The party may not file an action related to the violations described in the notice within 60 days after sending the notice letter.

(b) The notice letter required by paragraph (a) must include a legal analysis setting forth the potential violations of section 200.54 with specificity. The letter must establish a voter suppression claim, a vote dilution claim, or both. The letter must include a discussion of any relevant factors established in section 200.55, subdivision 1, and must include evidence to support the claims.

Subd. 2. **Responsibility of political subdivision.** The political subdivision shall work in good faith with the party that provided notice to implement a remedy that cures the potential violation. If the political subdivision adopts a resolution identifying a remedy, affirming its intent to enact and implement a remedy, and establishing a timeline and specific steps it will take to do so, the political subdivision shall have 90 days after passing the resolution to enact and implement a remedy, during which time the party who sent a notice letter under this section may not file an action related to those violations against that political subdivision.

Subd. 3. **Approval of remedies.** If the political subdivision lacks authority to enact or implement an identified remedy, the political subdivision may nonetheless enact and implement the remedy upon approval by the district court. To seek approval, the political subdivision must file a petition in district court that identifies with specificity the law or other authority that prevents the remedy from being enacted or implemented. The venue for a petition under this subdivision is in the district court of the county where the challenged act or practice occurred, or in the District Court of Ramsey County. The district court may authorize the political subdivision to implement or enact the identified remedy notwithstanding the applicable law or authority to the contrary, if the court determines that the prospective plaintiff is likely to succeed in a lawsuit on the merits of the alleged violation; that the proposed remedy would address the alleged violation; and that the proposed remedy is narrowly tailored to that purpose.

Subd. 4. **When presuit notice is not required.** Notwithstanding subdivisions 1 and 2, a prospective plaintiff may file an action without first providing a notice letter if:

(1) the party is seeking preliminary relief with respect to an upcoming election in accordance with section 200.57;

(2) the party is seeking to intervene or join an action that alleges a substantially similar violation;  
or

(3) following the party's submission of a notice letter, the political subdivision has enacted a remedy that would not remedy the violation identified in the party's notice letter.

Subd. 5. **Cost sharing.** (a) If a political subdivision enacts or implements a remedy in response to a notice letter submitted under subdivision 1, the political subdivision and the party who sent the notice letter must mutually agree on a reimbursement amount to be paid by the political subdivision to that party. The reimbursement amount must reflect the reasonable costs associated with producing and sending the letter and any accompanying evidence, subject to the limitations of this subdivision.

(b) To be eligible for a reimbursement, the party who submitted the notice letter must submit a request to the political subdivision in writing. The request must:

(1) be received by the political subdivision within 30 days of its enactment or adoption of the remedy; and

(2) be substantiated with financial documentation including, as applicable, detailed invoices for expert analysis and reasonable attorney fees.

(c) The cumulative amount of reimbursements to all parties must not exceed \$20,000. Reimbursement amounts for attorney fees are limited to amounts calculated using a lodestar methodology.

(d) To the extent a party requests reimbursement for a purported notice letter that fails to comply with the requirements in subdivision 1, or the request fails to comply with this subdivision, the political subdivision may dismiss the request. If the request is dismissed, the political subdivision must notify the party in writing of the reasons for the dismissal.

## Sec. 7. **[200.57] RIGHT OF ACTION; VENUE; PRELIMINARY RELIEF.**

Subdivision 1. **Right of action.** (a) The attorney general, a county attorney, any individual aggrieved by a violation of this act, any entity whose membership includes individuals aggrieved by a violation of this act, any entity whose mission would be frustrated by a violation of this act, or any entity that would expend resources in order to fulfill its mission as a result of a violation of this act, may file an action in the district court for the county where the challenged act or practice has occurred, or in the district court of Ramsey County. Actions brought under this act are subject to expedited pretrial and trial proceedings and must receive an automatic calendar preference.

(b) In an action related to a districting or redistricting plan, any individual with standing to challenge any single district shall be deemed to have standing to challenge the districting or redistricting plan as a whole.

Subd. 2. **Preliminary relief.** In any action seeking a temporary injunction or other preliminary relief under this act before an election, the court shall grant relief only if, in addition to any other factors considered in seeking an injunction or preliminary relief, the court determines that it is possible to implement appropriate preliminary relief that would address the alleged violation before the election.



Sec. 8. **[200.58] REMEDIES.**

Notwithstanding any other law, if the court finds a violation of any provision of section 200.54, the court has authority to order remedies that are tailored to best mitigate the violation. Any remedy ordered by the court must be constructed in favor of the factors listed in section 200.53, subdivision 1. The court may consider, among others, any remedy that has been ordered by a federal court or the court of another state jurisdiction, including through a court-approved consent decree or settlement adopted in the context of similar facts or to remedy a similar violation. The court shall consider remedies proposed by any parties and may consider remedies proposed by interested nonparties. The court may not provide deference or priority to a proposed remedy offered by a defendant or political subdivision simply because the remedy has been proposed by the defendant or political subdivision.

Sec. 9. **[200.59] FEES AND COSTS.**

In any action brought under this act, the court, in its discretion, may allow the prevailing party costs and reasonable attorney fees. If a party prevails on only a portion of their action, the court shall award costs and fees attributable only to that portion of the action. If the party against whom the action was filed prevails in the action, the court shall not award that party any costs or fees unless the court finds the action is frivolous.

Sec. 10. Minnesota Statutes 2022, section 204B.175, is amended to read:

**204B.175 CHANGE OF POLLING PLACE IN AN EMERGENCY.**

Subdivision 1. **Application.** When an emergency occurs after the deadline to designate a polling place for the purpose of absentee or early voting pursuant to section 203B.081, or after the deadline to designate a polling place pursuant to section 204B.16 but before the polls close on election day, a new polling place may be designated ~~for that election~~ pursuant to this section. For purposes of this section, an emergency is any situation that prevents the safe, secure, and full operation of a polling place, or when required to remedy a potential violation of section 200.54.

Subd. 2. **Changing polling place.** If a local election official determines that an emergency has occurred or is imminent, the local election official must procure a polling place that is as near the designated polling place as possible and that complies with the requirements of section 204B.16, subdivisions 4 and 5. If it is not possible to locate a new polling place in the precinct, the polling place may be located outside of the precinct without regard to the distance limitations in section 204B.16, subdivision 1. If a polling location is changed to remedy a potential violation of section 200.54, the location of the polling place must be selected to remedy the violation. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.

Subd. 2a. **Designation of additional polling places.** A local election official may designate additional polling locations, notwithstanding the deadlines in section 203B.081, if additional designations are required to remedy a potential violation of section 200.54. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.

Subd. 3. **Notice.** (a) Upon making the determination to relocate a polling place, the local election official must immediately notify the county auditor and the secretary of state. The notice must include the reason for the relocation and the reason for the location of the new polling place. As soon as possible, the local election official must also post a notice stating the reason for the relocation and the location of the new polling place. The notice must also be posted on the website of the public body, if there is one. The local election official must also notify the election judges and request that local media outlets publicly announce the reason for the relocation and the location of the polling place. If the relocation occurs more than 14 days prior to the election, the local election official must mail a notice to impacted voters of the reason for the relocation and the location of the polling place.

(b) On election day, the local election official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the new polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the new polling place will be extended until the specified time.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after the second semicolon, insert "establishing the Minnesota Voting Rights Act; prohibiting certain actions related to election administration that result in voter suppression or vote dilution; establishing a civil cause of action for violations; establishing remedies;"

Amend the title numbers accordingly

And when so amended the bill do pass.

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

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

**S.F. No. 4837:** A bill for an act relating to health carriers; providing for oversight of health maintenance organization transactions by the commissioner of health; requiring notice to the attorney general of certain transactions by health maintenance organizations and nonprofit health service plan corporations; amending Minnesota Statutes 2022, section 317A.811, subdivisions 1, 2, 4; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Commerce and Consumer Protection.

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

**Senator McEwen from the Committee on Labor, to which were referred the following appointments:**

**WORKERS' COMPENSATION COURT OF APPEALS**

Kathryn Carlson  
Thomas Christenson  
Patricia Milun  
Sean M. Quinn  
Deborah K. Sundquist

Reports the same back with the recommendation that the appointments be confirmed.

Senator Murphy moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 3492, 3999, 4363, 4579, 4852, 4960, 4961, 4962, 5026, 3530, 4003, 3631, 4097, 3944, 4690, 4688, and 5085 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 3868 was read the second time.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senator Klein introduced--**

**S.F. No. 5226:** A bill for an act relating to capital investment; appropriating money for public infrastructure improvements in the city of Lilydale; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Rasmusson introduced--**

**S.F. No. 5227:** A bill for an act relating to retirement; resolving a conflict in the statute that dictates the established date for full funding; deleting obsolete provisions; amending Minnesota Statutes 2023 Supplement, section 356.215, subdivision 11.

Referred to the Committee on State and Local Government and Veterans.

**Senator Rarick introduced--**

**S.F. No. 5228:** A bill for an act relating to capital investment; appropriating money to redevelop the auditorium of the former Sandstone School in the city of Sandstone; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Rarick introduced--**

**S.F. No. 5229:** A bill for an act relating to education finance; increasing funding for student support services; providing funding for nonpublic elementary counseling services; appropriating money; amending Minnesota Statutes 2022, section 123B.44, subdivisions 1, 5, 6; Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 3; Laws 2023, chapter 55, article 1, section 36, subdivision 6; article 5, section 64, subdivision 14.

Referred to the Committee on Education Finance.

**Senator Rarick introduced--**

**S.F. No. 5230:** A bill for an act relating to capital investment; appropriating money for public infrastructure in the city of Pine City; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Drazkowski, Koran, Howe, Abeler, and Gruenhagen introduced--**

**S.F. No. 5231:** A bill for an act relating to education; authorizing certain fund transfers for fiscal years 2025, 2026, and 2027; allowing a school board to not comply with certain laws or rules.

Referred to the Committee on Education Policy.

**Senators Dibble and Mohamed introduced--**

**S.F. No. 5232:** A bill for an act relating to state government; appropriating money to the Minnesota Sports Facilities Authority for retrofitting glass on the professional football stadium for bird safety.

Referred to the Committee on State and Local Government and Veterans.

**Senators Abeler, Hoffman, and Utke introduced--**

**S.F. No. 5233:** A bill for an act relating to employment; requiring a job accommodation request form for an employee with a known disability; amending Minnesota Statutes 2022, section 363A.08, subdivision 6.

Referred to the Committee on Judiciary and Public Safety.

**Senator Rest introduced--**

**S.F. No. 5234:** A bill for an act relating to taxation; modifying property taxes, individual income and corporate franchise taxes, gross receipts taxes, and local government aids; clarifying the definition of certain attachments and appurtenances; proposing advanced payments of the child tax credit; clarifying the credit for research calculation for the gross receipts tax; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; modifying Tribal Nation aid payment dates; appropriating money; amending Minnesota Statutes 2022, sections 272.02, subdivision 19; 273.38; 273.41; 289A.08, subdivision 1; 295.53, subdivision 4a; Minnesota Statutes 2023 Supplement, sections 290.0661, subdivision 7, by adding a subdivision; 477A.40, subdivisions 4, 5; Laws 2023, chapter 64, article 1, section 44.

Referred to the Committee on Taxes.

**Senator Rest introduced--**

**S.F. No. 5235:** A bill for an act relating to taxation; public financing; modifying local government debt financing; amending Minnesota Statutes 2022, sections 123B.71, subdivision 8; 446A.086, subdivision 1; 469.104; 474A.091, subdivisions 2, 2a; Minnesota Statutes 2023 Supplement, sections 123B.71, subdivision 12; 126C.40, subdivision 6.

Referred to the Committee on Taxes.

**Senator Duckworth introduced--**

**S.F. No. 5236:** A bill for an act relating to capital investment; appropriating money for a regional public safety training center in the city of Lakeville; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Fateh introduced--**

**S.F. No. 5237:** A bill for an act relating to capital investment; appropriating money for Boys & Girls Clubs of the Twin Cities.

Referred to the Committee on Capital Investment.

**Senator Kupec introduced--**

**S.F. No. 5238:** A bill for an act relating to taxation; tax increment financing; providing special tax increment financing authority to the city of Moorhead.

Referred to the Committee on Taxes.

**Senator Kupec introduced--**

**S.F. No. 5239:** A bill for an act relating to transportation; establishing a special license plate for solar pollinator programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

**Senator Abeler introduced--**

**S.F. No. 5240:** A bill for an act relating to education; authorizing certain fund transfers for fiscal years 2025, 2026, and 2027; allowing a school board to not comply with certain laws or rules.

Referred to the Committee on Education Finance.

**Senator Koran introduced--**

**S.F. No. 5241:** A bill for an act relating to capital investment; appropriating money for a public safety facility in the city of Wyoming; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators McEwen and Hauschild introduced--**

**S.F. No. 5242:** A bill for an act relating to capital investment; appropriating money for capital improvements at the Duluth International Airport; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Hawj, Oumou Verbeten, and Limmer introduced--**

**S.F. No. 5243:** A bill for an act relating to public safety; appropriating money for a grant to the Hmong American Mediation Center.

Referred to the Committee on Judiciary and Public Safety.

**Senators Dibble, Limmer, Hoffman, Westrom, and Mohamed introduced--**

**S.F. No. 5244:** A bill for an act relating to civil law; establishing a task force on guardianship; providing appointments; requiring a report.

Referred to the Committee on State and Local Government and Veterans.

**Senators Nelson, Utke, Limmer, Dornink, and Mathews introduced--**

**S.F. No. 5245:** A bill for an act relating to education; authorizing certain fund transfers for fiscal years 2025, 2026, and 2027; allowing a school board to not comply with certain laws or rules.

Referred to the Committee on Education Finance.

**Senators Klein, Frentz, Hauschild, Rest, and Weber introduced--**

**S.F. No. 5246:** A bill for an act relating to taxation; solid waste management; modifying the allocation of revenues from the solid waste management tax; amending Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2.

Referred to the Committee on Taxes.

**Senator Hoffman introduced--**

**S.F. No. 5247:** A bill for an act relating to workforce development; appropriating money for a grant to African Career, Education, and Resources, Inc., and the Organization of Liberians in Minnesota.

Referred to the Committee on Jobs and Economic Development.

**Senator Rasmusson introduced--**

**S.F. No. 5248:** A bill for an act relating to environment; appropriating money and extending grant for Lake Alice water-quality project.

Referred to the Committee on Environment, Climate, and Legacy.

**Senator Rasmusson introduced--**

**S.F. No. 5249:** A bill for an act relating to human services; establishing an engagement services pilot project in Otter Tail county; appropriating money.

Referred to the Committee on Human Services.

**Senator Mitchell introduced--**

**S.F. No. 5250:** A bill for an act relating to state government; modifying appropriations for the Department of Military Affairs and the Department of Veterans Affairs; increasing the maximum bonded indebtedness allowed for the State Armory Building Commission; designating Gopher Gunners Memorial Bridge; amending Minnesota Statutes 2022, sections 161.14, by adding a subdivision; 193.143; Laws 2023, chapter 38, article 1, sections 2, subdivisions 1, 4; 3, subdivision 3.

Referred to the Committee on State and Local Government and Veterans.

**Senator Pappas introduced--**

**S.F. No. 5251:** A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2022, sections 16A.642, subdivision 1; 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1; 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 256E.37, subdivision 1; 446A.081, subdivision 9; 462A.37, subdivision 5; Laws 2020, Fifth Special Session chapter 3, article 1, sections 14, subdivisions 5, 6; 25; Laws 2023, chapter 72, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 16B; 115B; 174; 446A; repealing Minnesota Statutes 2022, section 16A.662.

Referred to the Committee on Capital Investment.

**Senator Kunesh introduced--**

**S.F. No. 5252:** A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, American Indian education, teachers, charter schools, special education, facilities, nutrition, libraries, early childhood education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; Minnesota Statutes 2023 Supplement, sections 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2, 3; 123B.92, subdivision 11; 124D.151, subdivision 6; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 7, 9, 17, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; article 2, section 64, subdivisions 2, 6, 14, 16, 21, 23, 26, 31; article 4, section 21, subdivisions 2, 5; article 5, sections 64, subdivisions 3, 5, 13, 14, 15, 16; 65, subdivisions 3, 6; article 7, section 18, subdivisions 2, 3, 4, 6, 7; article 8, section 19, subdivisions 3, 5, 6; article 9, section 18, subdivisions 4, 8; article 11, section 11, subdivisions 2, 3, 5, 10; repealing Laws 2023, chapter 55, article 10, section 4.

Referred to the Committee on Education Finance.

**Senator Frentz introduced--**

**S.F. No. 5253:** A bill for an act relating to liquor; authorizing a special license in the city of Mankato.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Hoffman and Pha introduced--**

**S.F. No. 5254:** A bill for an act relating to taxation; providing special authority and provisions related to property taxes, tax increment financing, and sales and use taxes for certain projects in the city of Brooklyn Park; providing special tax increment financing authority; providing special property tax abatement authority; authorizing establishment of a value capture district; providing a refundable sales and use tax exemption for construction materials; appropriating money.

Referred to the Committee on Taxes.

**Senator Kunesh introduced--**

**S.F. No. 5255:** A bill for an act relating to education; modifying provisions for early childhood program appropriations; amending Laws 2023, chapter 54, section 20, subdivisions 6, 24.

Referred to the Committee on Education Finance.

**Senator Kunesh introduced--**

**S.F. No. 5256:** A bill for an act relating to education finance; authorizing certain lunchroom furniture costs in the school food service fund; amending Minnesota Statutes 2023 Supplement, section 124D.111, subdivision 3.

Referred to the Committee on Education Finance.

**Senator McEwen introduced--**

**S.F. No. 5257:** A bill for an act relating to labor and industry; modifying combative sports regulations; increasing payment threshold from the contractor recovery fund; amending Minnesota Statutes 2022, sections 326B.89, subdivision 5; 341.28, by adding a subdivision; 341.29; Minnesota Statutes 2023 Supplement, sections 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision; 341.355.

Referred to the Committee on Labor.

**Senators McEwen, Kunesh, and Putnam introduced--**

**S.F. No. 5258:** A bill for an act relating to environment; establishing a grant program for pilot projects to encourage and increase composting in multifamily buildings; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment, Climate, and Legacy.



**Senators McEwen, Dibble, Fateh, and Mohamed introduced--**

**S.F. No. 5259:** A bill for an act relating to transportation; establishing requirements on encampments in trunk highway rights-of-way; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

**Senator Anderson introduced--**

**S.F. No. 5260:** A bill for an act relating to capital investment; appropriating money for a grant to Clearwater-Clear Lake Food Shelf.

Referred to the Committee on Capital Investment.

**Senator Anderson introduced--**

**S.F. No. 5261:** A bill for an act relating to capital investment; appropriating money for culvert improvements in Albion Township; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Pappas introduced--**

**S.F. No. 5262:** A bill for an act relating to capital investment; appropriating money for capital improvements consistent with the Capitol Mall Design Framework update and for related fundraising efforts; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Pha introduced--**

**S.F. No. 5263:** A bill for an act relating to capital investment; appropriating money for a public safety facility and other capital improvements in Osseo; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Weber and Utke introduced--**

**S.F. No. 5264:** A bill for an act relating to human services; establishing emergency relief grants for financially distressed early intensive developmental and behavioral intervention providers; appropriating money.

Referred to the Committee on Human Services.

**Senator Weber introduced--**

**S.F. No. 5265:** A bill for an act relating to capital investment; appropriating money for a pilot project to improve water quality.

Referred to the Committee on Capital Investment.

**Senator McEwen introduced--**

**S.F. No. 5266:** A bill for an act relating to state government; modifying supplemental appropriations and other provisions related to the Bureau of Mediation Services; amending Minnesota Statutes 2022, section 626.892, subdivision 10; Laws 2023, chapter 53, article 19, section 4; repealing Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800.

Referred to the Committee on Labor.

**Senator Howe introduced--**

**S.F. No. 5267:** A bill for an act relating to insurance; authorizing insurers to use certain weather-related losses for purposes of underwriting and rating; amending Minnesota Statutes 2022, sections 65A.29, subdivisions 7, 8; 70A.05.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Carlson, Dibble, and Morrison introduced--**

**S.F. No. 5268:** A bill for an act relating to transportation; imposing a road usage charge for all-electric vehicles; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 168.002, by adding a subdivision; 168.013, subdivision 1m; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

**Senator Drazkowski introduced--**

**S.F. No. 5269:** A bill for an act relating to barbering; permitting registration as an apprentice barber; amending Minnesota Statutes 2022, sections 154.003; 154.01; 154.05; 154.09; 154.10, subdivision 2; 154.11, subdivision 3, by adding a subdivision; 154.14; 154.15; 154.161, subdivision 4; 154.162; 154.19; 154.24; proposing coding for new law in Minnesota Statutes, chapter 154.

Referred to the Committee on State and Local Government and Veterans.

**Senator Kreun introduced--**

**S.F. No. 5270:** A bill for an act relating to transportation; appropriating money for traffic safety public education programs.

Referred to the Committee on Transportation.

**Senators Port and Xiong introduced--**

**S.F. No. 5271:** A bill for an act relating to solar energy; establishing a program to award financial incentives to permitting authorities that install an automated software system to review and issue permits for residential solar energy projects; establishing an account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

**Senators Port, Kupec, McEwen, and Murphy introduced--**

**S.F. No. 5272:** A bill for an act relating to health; establishing the reproductive health equity grant fund; appropriating money.

Referred to the Committee on Health and Human Services.

**Senator Fateh introduced--**

**S.F. No. 5273:** A bill for an act relating to local government; modifying requirements for fees collected for city services, permits, or licenses; amending Minnesota Statutes 2022, section 462.353, subdivision 4.

Referred to the Committee on State and Local Government and Veterans.

**Senator Mohamed introduced--**

**S.F. No. 5274:** A bill for an act relating to workforce development; appropriating money for a grant to Somali Community Resettlement Services.

Referred to the Committee on Jobs and Economic Development.

**Senators Jasinski, Dibble, Coleman, Lang, and Howe introduced--**

**S.F. No. 5275:** A bill for an act relating to transportation; modifying distribution of proceeds from the sales tax on vehicle repair and replacement parts; amending Minnesota Statutes 2023 Supplement, section 297A.94.

Referred to the Committee on Transportation.

**Senator Oumou Verbeten introduced--**

**S.F. No. 5276:** A bill for an act relating to education finance; creating the Slice for St. Paul Kids literacy incentive pilot program through a school and community partnership; requiring a report; appropriating money.

Referred to the Committee on Education Finance.

**Senator Oumou Verbeten introduced--**

**S.F. No. 5277:** A bill for an act relating to education finance; authorizing a grant for St. Paul Neighborhood Network for after-school programming; appropriating money.

Referred to the Committee on Education Finance.

**Senator Oumou Verbeten introduced--**

**S.F. No. 5278:** A bill for an act relating to public safety; limiting supervision of parolees to five years; modifying the grounds for early discharge from parole and the certificate of final discharge; modifying the qualifications for the Supervised Release Board members; limiting reappointment of members to the Supervised Release Board; making certain inmates eligible for earned release credits; modifying the considerations for granting parole or supervised release; modifying the standards for granting medical release; establishing the Medical Release Review Board; eliminating life sentences;

amending Minnesota Statutes 2022, section 244.05, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 243.05, subdivision 3; 244.049, subdivisions 1, 2, 3; 244.05, subdivisions 4, 5, 8; repealing Minnesota Statutes 2023 Supplement, sections 244.45; 244.46, subdivision 4; 609.106, subdivision 2; 609.3455, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

**Senator Oumou Verbeten introduced--**

**S.F. No. 5279:** A bill for an act relating to arts and cultural heritage; appropriating money for cultural events.

Referred to the Committee on Environment, Climate, and Legacy.

**Senator Oumou Verbeten introduced--**

**S.F. No. 5280:** A bill for an act relating to crimes; modifying the definition of crime of violence for firearms crimes; amending Minnesota Statutes 2023 Supplement, section 624.712, subdivision 5.

Referred to the Committee on Judiciary and Public Safety.

**Senator Rarick introduced--**

**S.F. No. 5281:** A bill for an act relating to housing; appropriating money for a grant to the Arrowhead Economic Opportunity Agency.

Referred to the Committee on Housing and Homelessness Prevention.

**Senators Abeler and Hoffman introduced--**

**S.F. No. 5282:** A bill for an act relating to direct care and treatment; modifying the eligible recipients and funding for mental health innovation programs; removing county responsibility for the cost of care for a client awaiting transfer to another state-operated facility or program or facility operated by the Department of Corrections; appropriating money for direct care and treatment capacity and utilization; amending Minnesota Statutes 2022, sections 245.4662; 246.18, subdivision 4a; 246.54, subdivision 3; Minnesota Statutes 2023 Supplement, section 246.54, subdivisions 1a, 1b.

Referred to the Committee on Human Services.

**Senator Hauschild introduced--**

**S.F. No. 5283:** A bill for an act relating to taxation; property; increasing the maximum amount of the taconite homestead credit; amending Minnesota Statutes 2022, section 273.135, subdivision 2.

Referred to the Committee on Taxes.

**Senators Dibble and Morrison introduced--**

**S.F. No. 5284:** A bill for an act relating to transportation; authorizing a Tribal worksite training program; establishing a transportation facilities capital program; authorizing collection of passenger

rail user fees and revenue; modifying previous appropriations; appropriating money for driver's license testing; amending Minnesota Statutes 2022, section 174.02, by adding a subdivision; Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 2, section 3; Laws 2023, chapter 68, article 2, sections 2, subdivisions 3, 4, 5, 7, 9; 3; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Transportation.

**Senators Dibble, Jasinski, and Morrison introduced--**

**S.F. No. 5285:** A bill for an act relating to transit; requiring an annual transportation financial review by the Metropolitan Council; amending Minnesota Statutes 2022, section 473.13, by adding a subdivision.

Referred to the Committee on Transportation.

**Senator Rest introduced--**

**S.F. No. 5286:** A bill for an act relating to taxation; property; modifying provisions related to exemptions for institutions of public charity; amending Minnesota Statutes 2022, section 272.02, subdivision 7, by adding a subdivision.

Referred to the Committee on Taxes.

**Senators Morrison and Kunesh introduced--**

**S.F. No. 5287:** A bill for an act relating to education; appropriating money for suicide prevention curriculum.

Referred to the Committee on Education Finance.

**Senator Frentz introduced--**

**S.F. No. 5288:** A bill for an act relating to retirement; Minnesota State Retirement System correctional state employees retirement plan; expanding eligibility to certain registered nurse supervisors; modifying other lists of covered employees; amending Minnesota Statutes 2022, section 352.91, subdivisions 1, 3c; Minnesota Statutes 2023 Supplement, section 352.91, subdivision 3f.

Referred to the Committee on State and Local Government and Veterans.

## **MOTIONS AND RESOLUTIONS**

Senator Morrison moved that the name of Senator Kunesh be added as a co-author to S.F. No. 166. The motion prevailed.

Senator Morrison moved that the name of Senator Coleman be added as a co-author to S.F. No. 2445. The motion prevailed.

Senator Mathews moved that the name of Senator Dornink be added as a co-author to S.F. No. 3120. The motion prevailed.

Senator Boldon moved that the name of Senator Kupec be added as a co-author to S.F. No. 3461. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 3503. The motion prevailed.

Senator Westlin moved that the name of Senator Limmer be added as a co-author to S.F. No. 3508. The motion prevailed.

Senator Maye Quade moved that the name of Senator Lucero be added as a co-author to S.F. No. 3550. The motion prevailed.

Senator Boldon moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 3648. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 3699. The motion prevailed.

Senator Miller moved that the name of Senator Duckworth be added as a co-author to S.F. No. 3803. The motion prevailed.

Senator Westlin moved that the name of Senator Pha be added as a co-author to S.F. No. 3818. The motion prevailed.

Senator Limmer moved that the name of Senator Nelson be added as a co-author to S.F. No. 3846. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 3865. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 3866. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 3921. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 3922. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 3923. The motion prevailed.

Senator Pappas moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 3987. The motion prevailed.

Senator Westlin moved that the name of Senator Pha be added as a co-author to S.F. No. 4039. The motion prevailed.

Senator Kunesh moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4106. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 4109. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 4112. The motion prevailed.

Senator Port moved that the name of Senator Pha be added as a co-author to S.F. No. 4159. The motion prevailed.

Senator Maye Quade moved that the name of Senator Duckworth be added as a co-author to S.F. No. 4192. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 4197. The motion prevailed.

Senator Port moved that the name of Senator Pha be added as a co-author to S.F. No. 4254. The motion prevailed.

Senator Kupec moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 4256. The motion prevailed.

Senator Mitchell moved that the name of Senator Dibble be added as a co-author to S.F. No. 4262. The motion prevailed.

Senator Westlin moved that the name of Senator Pratt be added as a co-author to S.F. No. 4293. The motion prevailed.

Senator Maye Quade moved that the name of Senator Duckworth be added as a co-author to S.F. No. 4393. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Gustafson be added as a co-author to S.F. No. 4401. The motion prevailed.

Senator Morrison moved that the name of Senator Pha be added as a co-author to S.F. No. 4417. The motion prevailed.

Senator Lucero moved that the names of Senators Maye Quade and Mohamed be added as co-authors to S.F. No. 4442. The motion prevailed.

Senator Port moved that the name of Senator Pha be added as a co-author to S.F. No. 4444. The motion prevailed.

Senator Bahr moved that the name of Senator Frentz be added as a co-author to S.F. No. 4464. The motion prevailed.

Senator Hauschild moved that the name of Senator Kunesh be added as a co-author to S.F. No. 4523. The motion prevailed.

Senator Hauschild moved that the name of Senator Gustafson be added as a co-author to S.F. No. 4609. The motion prevailed.

Senator Latz moved that the name of Senator Lucero be added as a co-author to S.F. No. 4625. The motion prevailed.

Senator Housley moved that the name of Senator Seeberger be added as a co-author to S.F. No. 4685. The motion prevailed.

Senator Champion moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4713. The motion prevailed.

Senator Jasinski moved that the names of Senators Morrison and Howe be added as co-authors to S.F. No. 4717. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Pha be added as a co-author to S.F. No. 4734. The motion prevailed.

Senator Kupec moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4762. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Champion be added as a co-author to S.F. No. 4796. The motion prevailed.

Senator Mitchell moved that the name of Senator Rest be added as a co-author to S.F. No. 4875. The motion prevailed.

Senator Hawj moved that the name of Senator Gustafson be added as a co-author to S.F. No. 4914. The motion prevailed.

Senator Dibble moved that the name of Senator Nelson be added as a co-author to S.F. No. 4982. The motion prevailed.

Senator Gustafson moved that the names of Senators Cwodzinski, McEwen, and Kreun be added as co-authors to S.F. No. 4997. The motion prevailed.

Senator Johnson moved that the name of Senator Kupec be added as a co-author to S.F. No. 5002. The motion prevailed.

Senator Duckworth moved that the names of Senators Kreun, Rasmusson, Coleman, and Abeler be added as co-authors to S.F. No. 5016. The motion prevailed.

Senator Pha moved that the name of Senator Xiong be added as a co-author to S.F. No. 5065. The motion prevailed.

Senator Port moved that the name of Senator Pha be added as a co-author to S.F. No. 5066. The motion prevailed.

Senator Drazkowski moved that the name of Senator Dibble be added as a co-author to S.F. No. 5088. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 5112. The motion prevailed.



Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 5113. The motion prevailed.

Senator Maye Quade moved that the name of Senator Pha be added as a co-author to S.F. No. 5114. The motion prevailed.

Senator Hauschild moved that the name of Senator McEwen be added as a co-author to S.F. No. 5157. The motion prevailed.

Senator Hauschild moved that his name be stricken as chief author and the name of Senator Mann be added as chief author to S.F. No. 5159. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 5187. The motion prevailed.

Senator Kunesh moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 5202. The motion prevailed.

Senator Dibble moved that the name of Senator Boldon be added as a co-author to S.F. No. 5205. The motion prevailed.

Senator Hoffman moved that S.F. No. 4473 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Human Services. The motion prevailed.

Senator Dibble moved that S.F. No. 5192 be withdrawn from the Committee on Jobs and Economic Development and re-referred to the Committee on Capital Investment. The motion prevailed.

Senator Dibble moved that H.F. No. 3613, No. 14 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

**Senator Drazkowski introduced --**

**Senate Resolution No. 86:** A Senate resolution congratulating Colonel Richard Johnson for his military service and recognizing his work to restore a Purple Heart to a veteran's family.

Referred to the Committee on Rules and Administration.

**SPECIAL ORDERS**

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 3567, 3852, and H.F. No. 3769.

**SPECIAL ORDER**

**S.F. No. 3567:** A bill for an act relating to education; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, teachers, Read Act,

special education, charter schools, nutrition and libraries, health and safety, early learning, and education partnerships and compacts; requiring reports; amending Minnesota Statutes 2022, sections 120A.05, subdivision 10a, by adding a subdivision; 120A.22, subdivision 12; 120A.35; 120B.022, subdivisions 1a, 1b; 120B.11, by adding a subdivision; 120B.13, subdivision 4; 120B.234, subdivisions 1, 2; 121A.22, subdivisions 2, 4; 121A.2207, subdivision 1; 121A.41, subdivision 8; 122A.091, subdivision 5; 122A.181, by adding a subdivision; 122A.182, by adding a subdivision; 122A.185, subdivision 3; 122A.20, by adding a subdivision; 123B.09, subdivision 10; 123B.37, subdivision 2; 124D.151, as amended; 124D.60, subdivision 1; 124D.61; 124E.01, subdivision 1; 124E.05, subdivisions 2, 3, 5; 124E.07; 124E.10, subdivisions 2, 4, 5; 124E.12, subdivision 2; 124E.14; 124E.17; 124E.26; 125A.02, subdivision 1a; 125A.27, subdivision 8; 125A.56, subdivision 1; 127A.70, subdivision 1; 128C.02, by adding a subdivision; 260E.14, subdivision 1; Minnesota Statutes 2023 Supplement, sections 13.32, subdivision 5; 120B.021, subdivision 1; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 4, 7, 10, by adding a subdivision; 120B.117, subdivision 4; 120B.12, subdivisions 1, 2, 2a, 4, 4a; 120B.123, subdivisions 1, 2, 5; 120B.30, subdivisions 7, 12, by adding a subdivision; 120B.302; 120B.305; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.20, subdivision 2; 121A.642, by adding a subdivision; 122A.18, subdivision 1; 122A.181, subdivision 2; 122A.183, subdivision 2; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 122A.631, subdivisions 2, 4; 122A.70, subdivision 2; 124D.09, subdivision 5; 124D.094, subdivisions 2, 3; 124D.111, subdivision 2a; 124D.165, subdivisions 2, 2a; 124D.42, subdivision 8; 124E.02; 124E.03, subdivision 2; 124E.06, subdivisions 1, 4, 5; 124E.11; 124E.12, subdivision 1; 124E.16, subdivision 1; 125A.08; 126C.40, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 127A; 134; repealing Minnesota Statutes 2022, sections 120B.31, subdivisions 2, 6; 122A.2451, subdivision 9; Minnesota Statutes 2023 Supplement, section 122A.185, subdivision 4; Laws 2017, First Special Session chapter 5, article 8, section 9.

Senator Rarick moved to amend S.F. No. 3567 as follows:

Page 6, after line 8, insert:

**"Sec. 5. FUND TRANSFERS FOR FISCAL YEARS 2025, 2026, AND 2027.**

Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, or any law to the contrary, for fiscal years 2025, 2026, and 2027 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any operating account or operating fund to the undesignated balance in any other operating account or operating fund. A fund or account transfer under this section must not increase state aid obligations to the district or school, or result in additional property tax authority for the district. The school board must adopt a written resolution outlining the purpose for and specifying the amount of funds that are transferred under this section. A school board must post the resolution for each approved transfer on its website and must transmit a timely, electronic notice of each approved transfer to the commissioner.

**Sec. 6. RELIEF FROM STATE MANDATES FOR SCHOOL YEARS 2024-2025, 2025-2026, AND 2026-2027.**

Notwithstanding any law to the contrary, for the 2024-2025, 2025-2026, and 2026-2027 school years only, a school district or charter school may adopt a resolution not to comply with a state law

or rule applicable to that school if enacted, adopted, or amended after February 12, 2024, or under Laws 2023, chapter 54 or 55. Upon a recorded vote, a school board that formally resolves not to comply with a state law or rule under this section must post a record of each decision to not comply on its website and transmit to the commissioner an electronic notice of each decision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodziński	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Rarick moved to amend S.F. No. 3567 as follows:

Page 18, lines 29 to 31, reinstate the stricken language

Page 20, delete section 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Coleman moved to amend S.F. No. 3567 as follows:

Page 80, after line 14, insert:

**"Sec. 3. [121A.055] SAFE SCHOOLS TRANSPARENCY; REPORTING.**

(a) A school principal or school board designee must provide teachers and each student's parents with timely notice of violent activity occurring on school grounds or at school-sponsored activities in which one or more individuals suffer injuries. The notice must state whether the school is aware of videos or recordings of such violent activity. Notice must also be provided to teachers and parents when a dangerous weapon is brandished or confiscated. The notice must not contain names or identifying characteristics of any students involved in the activity. "Timely notice" means notice within 24 hours, if practicable, and no later than 48 hours after an incident. The notice must be delivered to an email address or mobile application from which a parent has consented to receive such notices. If a parent has not provided this contact information, the school may choose another delivery method or none. A local school board or a charter school board of directors may annually, by two-thirds recorded vote, waive this requirement.

(b) A charter school or school district is prohibited from engaging in retaliatory action against a teacher or other school employee for reporting, discussing, or publicizing incidents of school violence or dangerous conduct. A school or school district must not retaliate against an employee for participating in an investigation, hearing, or inquiry regarding school and classroom safety. Nothing in this section waives a student's data privacy rights under federal and state law.

**EFFECTIVE DATE.** This section is effective for the 2024-2025 school year and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Seeberger
Champion	Hauschild	Mann	Murphy	Westlin
Cwodzinski	Hawj	Marty	Oumou Verbeten	Wiklund
Dibble	Hoffman	Maye Quade	Pappas	Xiong
Dziedzic	Klein	McEwen	Pha	
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Abeler moved to amend S.F. No. 3567 as follows:

Page 83, after line 30, insert:

"Sec. 10. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 4, is amended to read:

Subd. 4. **Allowed uses.** (a) Aid under this section must be used as provided under paragraph (d), or to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) Cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used as provided under paragraph (d), or to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a

position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

(d) A school district, charter school, or cooperative unit may use aid under this section to contract for student mental health services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodziński	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Abeler moved to amend S.F. No. 3567 as follows:

Page 83, after line 30, insert:

"Sec. 10. Minnesota Statutes 2023 Supplement, section 124D.901, subdivision 4, is amended to read:

Subd. 4. **Allowed uses.** (a) Aid under this section must be used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) Cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

(d) Notwithstanding paragraphs (a) to (c), aid under this section may be used to maintain existing student support services personnel positions, including positions established prior to the 2023-2024 school year and positions initially funded with local, state, or federal resources, if the superintendent or charter school director provides the commissioner with a statement of assurances that the positions would be eliminated without the flexibility provided under this paragraph.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2025 and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 24, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Howe	Lieske	Rarick
Anderson	Farnsworth	Jasinski	Limmer	Rasmusson
Bahr	Frentz	Johnson	Lucero	Utke
Coleman	Green	Klein	Mann	Weber
Dahms	Gruenhagen	Koran	Mathews	Wesenberg
Dibble	Gustafson	Kreun	Maye Quade	Westrom
Dornink	Hauschild	Kupec	Miller	
Draheim	Hoffman	Lang	Nelson	
Duckworth	Housley	Latz	Pratt	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon  
Carlson  
Champion  
Cwodzinski  
Dziedzic

Fateh  
Hawj  
Kunesh  
Marty  
McEwen

Mitchell  
Mohamed  
Morrison  
Murphy  
Oumou Verbeten

Pappas  
Pha  
Port  
Putnam  
Rest

Seeberger  
Westlin  
Wiklund  
Xiong

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion prevailed. So the amendment was adopted.

Senator Kunesh moved to amend S.F. No. 3567 as follows:

Page 21, after line 10, insert:

"Sec. 18. Minnesota Statutes 2023 Supplement, section 121A.041, subdivision 2, is amended to read:

Subd. 2. **Prohibition on American Indian mascots.** (a) Starting September 1, ~~2025~~ 2026, a public school may not have or adopt a name, symbol, or image that depicts or refers to an American Indian Tribe, individual, custom, or tradition to be used as a mascot, nickname, logo, letterhead, or team name of the school, district, or school within the district, unless the school has obtained an exemption under subdivision 3.

(b) The prohibition in paragraph (a) does not apply to a public school located within the reservation of a federally recognized Tribal Nation in Minnesota, where at least 95 percent of students meet the state definition of American Indian student.

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

Sec. 19. Minnesota Statutes 2023 Supplement, section 121A.041, subdivision 3, is amended to read:

Subd. 3. **Exemption.** A public school may seek an exemption to subdivision 2 by submitting a request in writing to all 11 federally recognized Tribal Nations in Minnesota and to the Tribal Nations Education Committee by September 1, 2023. The exemption is denied if any of the 11 Tribal Nations or the Tribal Nations Education Committee oppose the exemption by December 15, 2023. A public school whose request for an exemption is denied must comply with subdivision 2 by September 1, ~~2025~~ 2026.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:



Abeler	Dziedzic	Johnson	Mathews	Pratt
Anderson	Eichorn	Klein	Maye Quade	Rarick
Bahr	Farnsworth	Koran	McEwen	Rasmusson
Boldon	Fateh	Kreun	Miller	Rest
Carlson	Frentz	Kunesch	Mitchell	Seeberger
Champion	Green	Kupec	Mohamed	Utke
Coleman	Gruenhagen	Lang	Morrison	Weber
Cwodzinski	Gustafson	Latz	Murphy	Wesenberg
Dahms	Hauschild	Lieske	Nelson	Westlin
Dibble	Hawj	Limmer	Oumou Verbeten	Westrom
Dornink	Housley	Lucero	Pappas	Wiklund
Draheim	Howe	Mann	Pha	
Duckworth	Jasinski	Marty	Port	

Pursuant to Rule 40, Senator Kunesch cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

The motion prevailed. So the amendment was adopted.

Senator Gruenhagen moved to amend S.F. No. 3567 as follows:

Page 25, after line 14, insert:

"Sec. 25. **DISTINCTIVENESS OF A CONSTITUTIONAL REPUBLIC.**

The legislature encourages school district and charter school governing boards to develop and provide curriculum that instructs secondary students on the distinctiveness of a constitutional republic that incorporates representational democracy versus a direct or popular democracy form of government. A student may learn: the distinguishing features of each form of government; the selection of a constitutional republic by the founders of the United States; the recognition of inalienable rights under a constitutional republic, which cannot be voted away by a majority; and the propensity of a direct democracy to degenerate into tyranny."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Jasinski	Lucero	Utke
Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Gruenhagen moved to amend S.F. No. 3567 as follows:

Page 25, after line 14, insert:

"Sec. 25. **SIX-PERIOD SCHOOL DAYS.**

The legislature encourages school district and charter school governing boards to comprehensively consider adoption of a six-period school day. A board may examine whether a six-period school day provides the following benefits: increased personalized education, increased focus and less stress for students and teachers, improved academic learning and retention, and better use of fiscal resources."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Gruenhagen moved to amend the second Gruenhagen amendment to S.F. No. 3567 as follows:

Page 1, line 5, after "day" insert "for grades 7 through 12"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the second Gruenhagen amendment, as amended.

The roll was called, and there were yeas 19 and nays 45, as follows:

Those who voted in the affirmative were:

Anderson	Green	Johnson	Lucero	Weber
Dahms	Gruenhagen	Lang	Mathews	Wesenberg
Duckworth	Howe	Lieske	Pratt	Westrom
Eichorn	Jasinski	Limmer	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Abeler	Bahr	Boldon	Carlson	Champion
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Coleman	Frentz	Kreun	Miller	Putnam
Cwodzinski	Gustafson	Kunesh	Mitchell	Rarick
Dibble	Hauschild	Kupec	Mohamed	Rasmusson
Dornink	Hawj	Latz	Morrison	Rest
Draheim	Hoffman	Mann	Murphy	Seeberger
Dziedzic	Housley	Marty	Oumou Verbeten	Westlin
Farnsworth	Klein	Maye Quade	Pappas	Wiklund
Fateh	Koran	McEwen	Port	Xiong

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the second Gruenhagen amendment, as amended, was not adopted.

Senator Farnsworth moved to amend S.F. No. 3567 as follows:

Page 11, line 26, strike everything after "mathematics" and insert "as determined by the local school district;"

Page 11, line 27, strike "mathematics;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 53, as follows:

Those who voted in the affirmative were:

Draheim	Green	Koran	Rarick
Eichorn	Howe	Kreun	Utke
Farnsworth	Johnson	Mathews	Westrom

Those who voted in the negative were:

Abeler	Duckworth	Klein	McEwen	Putnam
Anderson	Dziedzic	Kunesh	Miller	Rasmusson
Bahr	Fateh	Kupec	Mitchell	Rest
Boldon	Frentz	Lang	Mohamed	Seeberger
Carlson	Gruenhagen	Latz	Morrison	Weber
Champion	Gustafson	Lieske	Murphy	Wesenberg
Coleman	Hauschild	Limmer	Oumou Verbeten	Westlin
Cwodzinski	Hawj	Lucero	Pappas	Wiklund
Dahms	Hoffman	Mann	Pha	Xiong
Dibble	Housley	Marty	Port	
Dornink	Jasinski	Maye Quade	Pratt	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

The motion did not prevail. So the amendment was not adopted.

Senator Lucero moved to amend S.F. No. 3567 as follows:

Page 84, after line 30, insert:

"Sec. 12. Minnesota Statutes 2022, section 617.291, subdivision 2, is amended to read:

Subd. 2. **Best interest.** It is in the best interest of the health, welfare, and safety of the citizens of this state, and especially of minors within the state, that commercial dissemination, and dissemination without monetary consideration in a place of public accommodation, of sexually explicit written, photographic, printed, sound or published materials, and of plays, dances, or other exhibitions presented before an audience, that are deemed harmful to minors, be restricted to persons over the age of 17 years; or, if available to minors under the age of 18 years, that the availability of the materials be restricted to sources within established and recognized ~~schools, churches, museums, medical clinics and physicians, hospitals, or public libraries, or government sponsored organizations.~~

Sec. 13. Minnesota Statutes 2022, section 617.295, is amended to read:

#### **617.295 EXEMPTIONS.**

The following are exempt from criminal or other action hereunder:

(1) recognized and established ~~schools, churches, museums, medical clinics and physicians, hospitals, or public libraries, governmental agencies or quasi-governmental sponsored organizations,~~ and persons acting in their capacity as employees or agents of such organization. For the purpose of this section "recognized and established" shall mean an organization or agency having ~~a full-time faculty and diversified curriculum in the case of a school;~~ a church affiliated with a national or regional denomination; a licensed physician or psychiatrist or clinic of licensed physicians or psychiatrists; and in all other exempt organizations shall refer only to income tax exempted organizations which are supported in whole or in part by tax funds or which receive at least one-third of their support from publicly donated funds;

(2) individuals in a parental relationship with the minor; and

(3) motion picture machine operators, stagehands, or other theatre employees such as cashiers, doorkeepers, ushers, and concession employees, if such person or persons have no financial interest in the entertainment presented other than the salary or wage, or in any theatre or place where such employee has no financial interest when the employee's services are obtained solely for salary or wage; provided, that such employee is under the direct supervision of a theatre manager who is a resident of this state and who is not exempt from action under sections 617.291 to 617.297.

Sec. 14. Minnesota Statutes 2022, section 617.296, is amended by adding a subdivision to read:

Subd. 3. **Parental cause of action.** The parent or legal guardian of a child has a civil cause of action against a school or governmental institution when the school or governmental institution disseminates or otherwise displays to the child obscene material as defined in section 617.241, subdivision 1, paragraph (a). The plaintiff is entitled to recover the greater of \$1,000 or actual general and special damages, including damages for emotional distress. A plaintiff may also obtain reasonable attorney fees and an injunction or other appropriate relief."

Amend the title accordingly

Senator Lucero requested division of his amendment as follows:

First portion:

Page 84, after line 30, insert:

"Sec. 12. Minnesota Statutes 2022, section 617.291, subdivision 2, is amended to read:

Subd. 2. **Best interest.** It is in the best interest of the health, welfare, and safety of the citizens of this state, and especially of minors within the state, that commercial dissemination, and dissemination without monetary consideration in a place of public accommodation, of sexually explicit written, photographic, printed, sound or published materials, and of plays, dances, or other exhibitions presented before an audience, that are deemed harmful to minors, be restricted to persons over the age of 17 years; or, if available to minors under the age of 18 years, that the availability of the materials be restricted to sources within established and recognized ~~schools~~, churches, museums, medical clinics and physicians, hospitals, or public libraries, ~~or government sponsored organizations.~~

Sec. 13. Minnesota Statutes 2022, section 617.295, is amended to read:

#### **617.295 EXEMPTIONS.**

The following are exempt from criminal or other action hereunder:

(1) recognized and established ~~schools~~, churches, museums, medical clinics and physicians, hospitals, or public libraries, ~~governmental agencies or quasi-governmental sponsored organizations~~, and persons acting in their capacity as employees or agents of such organization. For the purpose of this section "recognized and established" shall mean an organization or agency having ~~a full-time faculty and diversified curriculum in the case of a school~~; a church affiliated with a national or regional denomination; a licensed physician or psychiatrist or clinic of licensed physicians or psychiatrists; and in all other exempt organizations shall refer only to income tax exempted organizations which are supported in whole or in part by tax funds or which receive at least one-third of their support from publicly donated funds;

(2) individuals in a parental relationship with the minor; and

(3) motion picture machine operators, stagehands, or other theatre employees such as cashiers, doorkeepers, ushers, and concession employees, if such person or persons have no financial interest in the entertainment presented other than the salary or wage, or in any theatre or place where such employee has no financial interest when the employee's services are obtained solely for salary or wage; provided, that such employee is under the direct supervision of a theatre manager who is a resident of this state and who is not exempt from action under sections 617.291 to 617.297."

Amend the title accordingly

Senator Klein questioned whether the first portion of the Lucero amendment was germane.

The President ruled that the first portion of the Lucero amendment was not germane.

Senator Lucero withdrew the remainder of his amendment.

Senator Dibble moved to amend S.F. No. 3567 as follows:

Page 80, after line 14, insert:

"Sec. 3. **[121A.055] SAFE SCHOOLS TRANSPARENCY.**

A charter school or school district is prohibited from engaging in retaliatory action against a teacher or other school employee for discussing incidents of school violence or dangerous conduct. A school or school district must not retaliate against an employee for participating in an investigation, hearing, or inquiry regarding school and classroom safety. Nothing in this section waives a student's data privacy rights under federal and state law.

**EFFECTIVE DATE.** This section is effective for the 2024-2025 school year and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Klein	McEwen	Rasmusson
Anderson	Farnsworth	Koran	Miller	Rest
Bahr	Fateh	Kreun	Mitchell	Seeberger
Boldon	Frentz	Kunesh	Mohamed	Utke
Carlson	Green	Kupec	Morrison	Weber
Champion	Gruenhagen	Lang	Murphy	Wesenberg
Coleman	Gustafson	Latz	Nelson	Westlin
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Westrom
Dahms	Hawj	Limmer	Pappas	Wiklund
Dibble	Hoffman	Lucero	Pha	Xiong
Dornink	Housley	Mann	Port	
Draheim	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	
Dziedzic	Johnson	Maye Quade	Rarick	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

The motion prevailed. So the amendment was adopted.

Senator Maye Quade moved to amend S.F. No. 3567 as follows:

Page 39, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2023 Supplement, section 120B.1118, is amended by adding a subdivision to read:

**Subd. 2a. Certified trained facilitator.** "Certified trained facilitator" means a person employed by a district or regional literacy network, who has completed professional development approved by the Department of Education in structured literacy, completed additional training in providing

professional development in structured literacy, and participates in mentoring or coaching provided by CAREI or the Department of Education on facilitating literacy training. A literacy lead who meets the requirements under this subdivision may be a certified trained facilitator."

Page 40, delete section 5

Page 41, line 28, delete "at midyear" and insert "by February 15 each year"

Page 43, line 5, delete "at midyear" and insert "by February 15 each year" and reinstate the stricken language

Page 43, line 6, reinstate the stricken language and delete the new language

Page 44, line 15, strike "staff" and insert "classroom teachers"

Page 46, line 16, delete "at midyear" and insert "by February 15 each year"

Page 46, line 30, strike "2025" and insert "2026"

Page 47, after line 4, insert:

"(c) Training provided by a certified trained facilitator may satisfy the professional development requirements under this subdivision and section 120B.12, subdivision 1."

Page 47, line 5, delete "(c)" and insert "(d)"

Page 47, line 26, delete everything after "literacy" and insert a period

Page 47, delete line 27

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Maye Quade moved to amend S.F. No. 3567 as follows:

Page 12, after line 13, insert:

"Sec. 7. Minnesota Statutes 2022, section 120B.11, as amended by Laws 2023, chapter 55, article 2, sections 9 to 11, is amended to read:

**120B.11 SCHOOL DISTRICT PROCESS FOR REVIEWING CURRICULUM, INSTRUCTION, AND STUDENT ACHIEVEMENT GOALS; STRIVING FOR THE WORLD'S BEST WORKFORCE COMPREHENSIVE ACHIEVEMENT AND CIVIC READINESS.**

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) ~~"World's best workforce"~~ "Comprehensive achievement and civic readiness" means striving to: meet school readiness goals; close the academic ~~achievement~~ achievement opportunity gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; ~~and have all students graduate from high school; and prepare students to be lifelong learners.~~

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

(e) "Ethnic studies" as defined in section 120B.25 has the same meaning for purposes of this section. Ethnic studies curriculum may be integrated in existing curricular opportunities or provided through additional curricular offerings.

(f) "Antiracist" means actively working to identify and eliminate racism in all forms in order to change policies, behaviors, and beliefs that perpetuate racist ideas and actions.

(g) "Culturally sustaining" means integrating content and practices that infuse the culture and language of Black, Indigenous, and People of Color communities who have been and continue to be harmed and erased through the education system.

(h) "Institutional racism" means structures, policies, and practices within and across institutions that produce outcomes that disadvantage those who are Black, Indigenous, and People of Color.

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to ~~create the world's best workforce~~ for comprehensive achievement and civic readiness must include at least:

(1) the size of the academic ~~achievement~~ achievement opportunity gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;

(2) student performance on the Minnesota Comprehensive Assessments;

(3) high school graduation rates; and

(4) career and college readiness under section 120B.307.

Subd. 2. **Adopting plans and budgets.** (a) A school board, at a public meeting, must adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating ~~the world's best workforce~~ comprehensive achievement and civic readiness and includes:



(1) clearly defined district and school site goals and benchmarks for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process to assess and evaluate each student's progress toward meeting state and local academic standards, assess and identify students to participate in gifted and talented programs and accelerate their instruction, and adopt early-admission procedures consistent with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to ~~the world's best workforce~~ comprehensive achievement and civic readiness;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure children in low-income families, children in families of People of Color, and children in American Indian families are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

(6) education effectiveness practices that:

(i) integrate high-quality instruction, technology, and curriculum that is rigorous, accurate, antiracist, and culturally sustaining;

(ii) ensure learning and work environments validate, affirm, embrace, and integrate cultural and community strengths for all students, families, and employees; and

(iii) provide a collaborative professional culture that seeks to retain qualified, racially and ethnically diverse staff effective at working with diverse students while developing and supporting teacher quality, performance, and effectiveness;

(7) an annual budget for continuing to implement the district plan; and

(8) identifying a list of suggested and required materials, resources, sample curricula, and pedagogical skills for use in kindergarten through grade 12 that accurately reflect the diversity of the state of Minnesota.

(b) A school district is not required to include information regarding literacy in a plan or report required under this section, except with regard to the academic achievement of English learners.

Subd. 3. **District advisory committee.** Each school board must establish an advisory committee to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards, consistent with subdivision 2. A district advisory committee, to the extent possible, must reflect the diversity of the district and its school sites, include teachers, parents, support staff, students, and other community residents, and provide translation to the extent appropriate and practicable. The district advisory committee must pursue community support to accelerate the academic and native literacy and achievement of English learners with varied needs, from young children to adults, consistent with section 124D.59, subdivisions 2 and 2a. The district may establish site teams as subcommittees of the district advisory committee under subdivision 4. The district advisory committee must recommend to the school board: rigorous academic standards; student achievement goals and measures consistent with subdivision 1a and sections 120B.022, subdivisions 1a and 1b, and 120B.35; district assessments; means to improve students' equitable access to effective and more diverse teachers; strategies to ensure the curriculum is rigorous, accurate, antiracist, culturally sustaining, and reflects the diversity of the student population; strategies to ensure that curriculum and learning and work environments validate, affirm, embrace, and integrate the cultural and community strengths of all racial and ethnic groups; and program evaluations. School sites may expand upon district evaluations of instruction, curriculum, assessments, or programs. Whenever possible, parents and other community residents must comprise at least two-thirds of advisory committee members.

Subd. 4. **Site team.** A school must establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, cultural competencies, including cultural awareness and cross-cultural communication, and student achievement at the school site, consistent with subdivision 2. The site team must include an equal number of teachers and administrators and at least one parent. The site team advises the board and the advisory committee about developing the annual budget and creates an instruction and curriculum improvement plan to align curriculum, assessment of student progress, and growth in meeting state and district academic standards and instruction.

Subd. 5. **Report.** Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district website. The school board shall hold an annual public meeting to review, and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency, and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and to review district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to ~~the world's best workforce~~ comprehensive achievement and civic readiness. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

Subd. 7. **Periodic report.** Each school district shall periodically survey affected constituencies, in their native languages where appropriate and practicable, about their connection to and level of satisfaction with school. The district shall include the results of this evaluation in the summary report required under subdivision 5.

Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for ~~the world's best workforce~~.

comprehensive achievement and civic readiness. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources.

(b) The commissioner must identify those districts in any consecutive three-year period not making sufficient progress toward improving teaching and learning for all students, including English learners with varied needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for ~~the world's best workforce~~ comprehensive achievement and civic readiness. The commissioner, in collaboration with the identified district, may require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement commissioner-specified strategies and practices, consistent with paragraph (a), to improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

(c) The commissioner shall report by January 25 of each year to the committees of the legislature having jurisdiction over kindergarten through grade 12 education the list of school districts that have not submitted their report to the commissioner under subdivision 5 and the list of school districts not achieving their performance goals established in their plan under subdivision 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Nelson moved to amend the second Maye Quade amendment to S.F. No. 3567 as follows:

Page 1, line 17, reinstate the stricken "achievement" and before "opportunity" insert "and" and strike "gap" and insert "gaps"

Page 2, line 10, reinstate the stricken "achievement" and before "opportunity" insert "and" and strike "gap" and insert "gaps"

The question was taken on the adoption of the Nelson amendment to the second Maye Quade amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Klein	McEwen	Rasmusson
Anderson	Farnsworth	Koran	Miller	Rest
Bahr	Fateh	Kreun	Mitchell	Seeberger
Boldon	Frentz	Kunesch	Mohamed	Utke
Carlson	Green	Kupec	Morrison	Weber
Champion	Gruenhagen	Lang	Murphy	Wesenberg
Coleman	Gustafson	Latz	Nelson	Westlin
Cwodzinski	Hauschild	Lieske	Oumou Verbeten	Westrom
Dahms	Hawj	Limmer	Pappas	Wiklund
Dibble	Hoffman	Lucero	Pha	Xiong
Dornink	Housley	Mann	Port	
Draheim	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	
Dziedzic	Johnson	Maye Quade	Rarick	

Pursuant to Rule 40, Senator Kunesch cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the second Maye Quade amendment, as amended.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	McEwen	Pha
Boldon	Frentz	Kunesch	Mitchell	Port
Carlson	Gustafson	Kupec	Mohamed	Rest
Champion	Hauschild	Latz	Morrison	Seeberger
Cwodzinski	Hawj	Mann	Murphy	Westlin
Dibble	Hoffman	Marty	Nelson	Wiklund
Dziedzic	Housley	Maye Quade	Oumou Verbeten	Xiong

Pursuant to Rule 40, Senator Kunesch cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Limmer	Rasmusson
Bahr	Eichorn	Johnson	Lucero	Utke
Coleman	Farnsworth	Koran	Mathews	Weber
Dahms	Green	Kreun	Miller	Wesenberg
Dornink	Gruenhagen	Lang	Pratt	Westrom
Draheim	Howe	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

The motion prevailed. So the amendment, as amended, was adopted.

Senator Hoffman moved to amend S.F. No. 3567 as follows:

Page 53, after line 3, insert:

**"Sec. 6. COMMISSIONER OF EDUCATION; LEGISLATIVE REPORT ON DEFINITIONS.**

(a) The commissioner of education must define the following terms:

(1) gifted student;

(2) talented student;

(3) twice-exceptional student;

(4) print disabled student; and

(5) reading disabled student.

(b) The commissioner of education must also define what qualifies a student in each category under paragraph (a) for special education services and how eligibility is determined, including through identification or diagnosis by a doctor of medicine, doctor of osteopathy, ophthalmologist, optometrist, psychologist, registered nurse, therapist, or professional staff of hospitals, institutions, and public or welfare agencies such as an educator, social worker, case worker, counselor, rehabilitation teacher, certified reading specialist, school psychologist, superintendent, or librarian.

(c) No later than February 15, 2024, the commissioner must report these definitions to the chairs and ranking minority members of the legislative committees having jurisdiction over early childhood through grade 12 education.

(d) The commissioner is encouraged to consult with the Perpich Center for Arts Education and the Minnesota State Academies in preparing the definitions under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Hoffman moved to amend the Hoffman amendment to S.F. No. 3567 as follows:

Page 1, line 18, delete "2024" and insert "2025"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Hoffman amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 3567 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Mitchell	Port
Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Those who voted in the negative were:

Anderson	Dornink	Farnsworth	Howe	Kreun
Bahr	Draheim	Green	Jasinski	Lang
Coleman	Duckworth	Gruenhagen	Johnson	Lieske
Dahms	Eichorn	Housley	Koran	Limmer

Lucero  
Mathews  
Miller

Nelson  
Pratt  
Rarick

Rasmussen  
Utke  
Weber

Wesenberg  
Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

So the bill, as amended, was passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 3852:** A bill for an act relating to labor; making policy and technical changes to programs and provisions under the Department of Labor and Industry; making policy and technical changes to provisions under the Bureau of Mediation Services; amending Minnesota Statutes 2022, sections 13.79, subdivision 1; 13.7905, by adding a subdivision; 177.23, by adding subdivisions; 177.24, subdivision 1, by adding a subdivision; 177.30; 178.011, subdivision 9; 178.012, subdivision 1; 178.035, subdivisions 2, 4, 6, 7; 178.036, subdivisions 3, 4, 5, 6, 7; 178.044, subdivision 3; 178.07, subdivisions 1, 3; 178.09, subdivision 2; 178.091, subdivisions 2, 4, by adding subdivisions; 178.10; 179.01, subdivisions 1, 9, 16; 179.06; 179.08; 179.11; 179.12; 179.254, subdivision 1; 179.256; 179.26; 179.27; 179.35, subdivision 1; 179.40; 179.43; 179A.02; 179A.03, subdivision 17; 179A.06, subdivisions 1, 2, 3; 179A.08, subdivision 2; 179A.10, subdivision 1; 179A.104, subdivision 1; 179A.12, subdivision 1; 179A.15; 179A.16, subdivisions 1, 7; 179A.18, subdivisions 2, 3; 179A.19, subdivision 6; 179A.20, subdivision 4; 179A.23; 181.941, subdivision 4; 181.943; 181.950, by adding a subdivision; 181.951, subdivision 1; 181A.08; 181A.12, subdivision 1, by adding subdivisions; 182.664, subdivisions 3, 5; 182.665; 182.666, subdivision 6; 182.667, by adding a subdivision; 326.02, subdivision 5; 326B.0981, subdivisions 3, 4, 8; 326B.33, subdivisions 7, 21; 326B.36, subdivision 2; 326B.46, subdivision 6; 626.892, subdivision 12; Minnesota Statutes 2023 Supplement, sections 177.27, subdivisions 2, 4, 7; 177.42, subdivision 2; 178.01; 181.212, subdivision 7; 181.531, subdivision 3; 181.939, subdivision 2; 181.953, subdivisions 1, 3, by adding a subdivision; 182.6526, subdivision 1; 182.677, subdivisions 1, 2; 204B.19, subdivision 6; 326B.36, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 178; 181; 182; repealing Minnesota Statutes 2022, section 178.036, subdivision 10; Minnesota Rules, parts 5200.0080, subpart 7; 5200.0400; 5510.0310, subpart 13.

Senator Draheim moved to amend S.F. No. 3852 as follows:

Page 55, line 19, reinstate "2.5" and delete "5"

Page 55, lines 23 to 33, reinstate the stricken language

Page 55, line 23, strike "(g)" and insert "(d)"

Page 55, line 24, strike "(f)" and insert "(c)"

Page 56, lines 1 to 17, reinstate the stricken language

Page 56, lines 8 and 17, strike "(f)" and insert "(c)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Eichorn	Johnson	Mathews	Weber
Bahr	Farnsworth	Koran	Miller	Wesenberg
Coleman	Green	Kreun	Nelson	Westrom
Dahms	Gruenhagen	Lang	Pratt	
Dornink	Housley	Lieske	Rarick	
Draheim	Howe	Limmer	Rasmusson	
Duckworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senator: Duckworth.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator McEwen moved to amend S.F. No. 3852 as follows:

Page 16, after line 33, insert:

"Sec. 8. Minnesota Statutes 2023 Supplement, section 181.213, subdivision 1, is amended to read:

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~~ November 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 3852 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodziński	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Limmer	Rarick
Bahr	Farnsworth	Johnson	Lucero	Rasmusson
Coleman	Green	Koran	Mathews	Utke
Dahms	Gruenhagen	Kreun	Miller	Weber
Dornink	Housley	Lang	Nelson	Wesenberg
Draheim	Howe	Lieske	Pratt	Westrom

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

So the bill, as amended, was passed and its title was agreed to.



**SPECIAL ORDER**

**H.F. No. 3769:** A bill for an act relating to taxation; corporate franchise; modifying the effective date of a reduction in the limitation on the deductibility of net operating losses; amending Laws 2023, chapter 64, article 1, section 44.

H.F. No. 3769 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Farnsworth	Klein	Maye Quade	Putnam
Bahr	Fateh	Koran	McEwen	Rarick
Boldon	Frentz	Kreun	Miller	Rasmusson
Carlson	Green	Kunesh	Mitchell	Rest
Champion	Gruenhagen	Kupec	Mohamed	Seeberger
Coleman	Gustafson	Lang	Morrison	Utke
Cwodzinski	Hauschild	Latz	Murphy	Weber
Dahms	Hawj	Lieske	Nelson	Wesenberg
Dibble	Hoffman	Limmer	Oumou Verbeten	Westlin
Dornink	Housley	Lucero	Pappas	Westrom
Draheim	Howe	Mann	Pha	Wiklund
Duckworth	Jasinski	Marty	Port	Xiong
Dziedzic	Johnson	Mathews	Pratt	

Pursuant to Rule 40, Senator Kunesh cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Duckworth.

So the bill passed and its title was agreed to.

**MEMBERS EXCUSED**

Senator Draskowski was excused from the Session of today. Senator Nelson was excused from the Session of today from 1:55 to 2:35 p.m. Senator Abeler was excused from the Session of today at 3:45 p.m. Senator Eichorn was excused from the Session of today at 4:15 p.m.

**ADJOURNMENT**

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 4, 2024. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

