FIFTY-FOURTH LEGISLATIVE DAY

St. Paul, Minnesota, Tuesday, April 7, 2026

The Senate met at 11:00 a.m. 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. Elijah McDavid, III.

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	Fateh	Johnson	Mathews	Rasmusson
Bahr	Frentz	Johnson Stewart	Maye Quade	Rest
Boldon	Green	Klein	McEwen	Seeberger
Carlson	Gruenhagen	Koran	Miller	Utke
Champion	Gustafson	Kreun	Mohamed	Weber
Clark	Hauschild	Kunesh	Murphy	Wesenberg
Coleman	Hawj	Kupec	Nelson	Westlin
Cwodzinski	Heintzeman	Lang	Oumou Verbeten	Westrom
Dahms	Hemmingsen-Jaeger	Latz	Pappas	Wiklund
Dibble	Hoffman	Lieske	Pha	Xiong
Dornink	Holmstrom	Limmer	Port	
Drazkowski	Housley	Lucero	Pratt	
Duckworth	Howe	Mann	Putnam	
Farnsworth	Jasinski	Marty	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.

March 27, 2026

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 41, S.F. No. 3623.

Sincerely,
Tim Walz, Governor

March 27, 2026

The Honorable Lisa Demuth
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 2026 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 2026	Date Filed 2026
	3615	40	12:17 p.m. March 27	March 27
3623		41	12:17 p.m. March 27	March 27
	4541	42	12:18 p.m. March 27	March 27
	3425	43	12:20 p.m. March 27	March 27

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate in Joint Convention at 6:45 p.m., on Tuesday, April 28, 2026, to receive the message of the Honorable Tim Walz, Governor of the State of Minnesota, said message to be delivered at 7:00 p.m.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted March 26, 2026

Senator Murphy moved that the Senate accept the invitation of the House of Representatives to meet in Joint Convention in the House Chamber at 6:45 p.m., Tuesday, April 28, 2026, to receive the message of the Honorable Tim Walz, Governor of the State of Minnesota. The motion prevailed.

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Senator Murphy from the Committee on Rules and Administration, to which was re-referred

S.F. No. 3833: A bill for an act relating to legislature; establishing a Legislative Commission on Legislative Security; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Senator Cwodzinski from the Committee on Education Policy, to which was referred

S.F. No. 3870: A bill for an act relating to education; modifying education policy for kindergarten through grade 12 education; modifying policy for charter schools; modifying policy for state agencies; amending Minnesota Statutes 2024, sections 120A.05, subdivision 10a; 120B.021, subdivision 2; 120B.022, subdivision 1b; 120B.11, subdivision 1; 121A.038, subdivision 1, by adding a subdivision; 121A.49; 123B.77, by adding subdivisions; 124D.119, by adding a subdivision; 124E.05, subdivisions 6, 8; 124E.07, subdivisions 1, 4, 8, by adding a subdivision; 124E.08; Minnesota Statutes 2025 Supplement, sections 120B.12, subdivisions 2, 2a; 120B.124, subdivision 5; 124D.09, subdivisions 5, 7, 12; 124D.111, subdivisions 2a, 6; 124D.1158, subdivision 5; 124E.03, subdivision 2; 124E.07, subdivisions 2, 3; 124E.17, subdivisions 1, 2; 124E.27; proposing coding for new law in Minnesota Statutes, chapters 120A; 121A; repealing Minnesota Statutes 2025 Supplement, sections 120B.124, subdivision 6; 124E.16, subdivision 4.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2024, section 120A.05, subdivision 10a, is amended to read:

Subd. 10a. **Kindergarten.** "Kindergarten" means a ~~program~~ grade designed for pupils five years of age on or before September 1 of the calendar year in which the school year commences that provides a developmentally appropriate learning experience and prepares pupils to enter first grade the following school year.

Sec. 2. **[120A.391] EDUCATION OF CHILDREN EXPERIENCING HOMELESSNESS.**

Subdivision 1. **Definition.** (a) For purposes of this section, "child experiencing homelessness" means a child, including a child attending a public preschool, who lacks a fixed, regular, and adequate nighttime residence, including:

(1) a child sharing housing with other persons due to loss of housing, economic hardship, or similar reason;

(2) a child living in a motel, hotel, or camping ground due to lack of alternative adequate accommodations;

(3) a child living in an emergency or transitional shelter;

(4) a child abandoned in a hospital;

(5) a child living in a car, park, public space, abandoned building, substandard housing, bus or train station, or similar setting; and

(6) a migratory child who qualifies as homeless under the circumstances described in clauses (1) to (5).

(b) The term "child experiencing homelessness" includes children and youth experiencing homelessness.

(c) Nothing in this section shall conflict with or supersede the requirements under section 256K.45 as it relates to educational services for homeless youth.

Subd. 2. **Identification and enrollment.** (a) Each school district and charter school must establish procedures to identify a child experiencing homelessness as defined in subdivision 1 and must designate a homeless liaison to ensure the implementation and coordination of the services described in this section. Upon identification of a child experiencing homelessness, a school district must immediately enroll the child in school, even if the child cannot produce records otherwise required for enrollment, such as previous academic records, immunization or medical records, proof of residency, or other documentation.

(b) For purposes of this subdivision, "enrollment" means attending classes and participating fully in school activities.

(c) For purposes of this subdivision, "immediately" means enrollment must occur within one school day.

Subd. 3. **Educational services and supports.** School districts and charter schools must provide a child experiencing homelessness with educational services and supports designed to meet the unique needs of the child, including but not limited to:

(1) educational services comparable to those offered to other children;

(2) transportation to and from the school of origin when in the child's best interest as provided under section 120A.20, subdivision 2;

(3) removal of barriers to school enrollment and attendance, which may include providing access to school supplies, meals, and other services necessary to ensure educational access; and

(4) coordination by the designated homeless liaison with housing services, social services, mental health agencies, and other community service providers to ensure continuity of services and supports.

Subd. 4. **School stability and best interest determination.** When it is in the child's best interest, a child experiencing homelessness may remain in their school of origin for the duration of homelessness or through the end of any academic year in which they obtain permanent housing. A school district must presume that remaining in the school of origin is in the child's best interest unless it is contrary to the wishes of the child's parent, guardian, or unaccompanied homeless youth.

Subd. 5. **Records transfer and dispute resolution.** (a) School districts and charter schools must immediately transfer educational and health records for a child experiencing homelessness to ensure continuity of appropriate educational services.

(b) If a dispute arises over school selection or enrollment, the child must be immediately enrolled in the school requested by the child's parent, guardian, or unaccompanied homeless youth, pending resolution of the dispute. The school district must provide the child's parent, guardian, or unaccompanied homeless youth with a written explanation of its decision, and a notice of the right to appeal, including information about how to initiate an appeal.

Subd. 6. **Unaccompanied homeless youth.** For purposes of this section, "unaccompanied homeless youth" means a child or youth experiencing homelessness not in the physical custody of a parent or guardian.

Sec. 3. **[120A.392] EDUCATION OF MIGRATORY CHILDREN.**

Subdivision 1. **Definition.** For purposes of this section, "migratory child" means a child who has moved due to economic necessity in the preceding 36 months across school district lines either within the state of Minnesota or from another state to engage in temporary or seasonal agricultural or fishing work or to accompany or join a parent, guardian, or other family member who moved to engage in temporary or seasonal agricultural or fishing work.

Subd. 2. **Identification and enrollment.** Each school district or charter school shall establish procedures to identify migratory children as defined in subdivision 1. Upon identification of a migratory child, the school district must immediately enroll the child in school, even if the child cannot produce records normally required for enrollment, such as previous academic records, health records, proof of residency, or other documentation.

Subd. 3. **Educational services.** School districts and charter schools shall provide migratory children with educational services designed to meet their unique needs, including but not limited to: (1) supplemental academic instruction; (2) support services to address educational disruption; and (3) coordination with other educational programs and services.

Subd. 4. **Continuity of services.** School districts and charter schools shall ensure continuity of educational services by expediting the transfer of educational and health records for migratory children and implementing procedures to facilitate enrollment and appropriate course placement.

Sec. 4. Minnesota Statutes 2025 Supplement, section 124D.111, subdivision 2a, is amended to read:

Subd. 2a. **Federal child and adult care food program and federal summer food service program; criteria and notice; board of directors; salaries.** (a) The commissioner must post on the department's website eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program and federal summer food service program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

(b) The commissioner must evaluate financial eligibility as part of the application process. An organization applying to be a prospective nonprofit multisite sponsoring organization for the federal child and adult care food program or the federal summer food service program must provide documentation of financial viability as an organization. Documentation must include:

(1) evidence that the organization has operated for at least one year and has filed at least one tax return;

(2) the most recent tax return submitted by the organization and corresponding forms and financial statements;

(3) a profit and loss statement and balance sheet or similar financial information; and

(4) evidence that at least ten percent of the organization's operating revenue comes from sources other than the United States Department of Agriculture child nutrition program and that the organization has additional funds or a performance bond available to cover at least one month of reimbursement claims.

(c) When a nonprofit organization applies for sponsorship as a multisite sponsoring organization under the federal child and adult care food program or federal summer food service program, applications are evaluated on the following criteria in addition to federal requirements:

(1) any sponsor that applies to receive reimbursement over the federal single audit threshold, as defined in Code of Federal Regulations, title 2, section 200, must ensure a minimum of one full-time equivalent financial director, or similar role, for the organization. This position must be solely dedicated to the responsibilities of a financial director, or similar role, and be separate from any other position within the organization;

(2) volunteers must not be allowed to make organization-level decisions, monitor sites, or provide financial oversight. Board members, whether paid or unpaid, are not considered volunteers; and

(3) unless granted special approval by the commissioner, sponsoring organizations are limited to an annual maximum increase of 25 percent per program for the number of sponsored sites and total reimbursement.

(d) A nonprofit multisite sponsoring organization must be governed by a board of directors consistent with the following requirements:

(1) board bylaws must outline the procedures for changing the governance structure, following the requirements of chapter 317A; and

~~(2) board of director meetings must comply with chapter 13D governing open meetings; and~~

~~(3)~~ (2) a nonprofit multisite sponsoring organization must publish and maintain:

(i) the meeting minutes of the board of directors and of members and committees having board-delegated authority, within 30 days following the earlier of the date of board approval or the next regularly scheduled meeting, and for at least 365 days from the date of publication; and

(ii) directory information for the board of directors and for the members of committees having board-delegated authority.

(e) The commissioner must post annually on the department's website the approved salary range for the positions of executive director, financial director, monitoring staff, administrative staff, and officer-level positions for multisite sponsoring organizations under the federal child and adult care food program and federal summer food service program. Salaries charged to the nonprofit food service fund must fall within these ranges.

Sec. 5. Minnesota Statutes 2024, section 124D.119, is amended by adding a subdivision to read:

Subd. 6. **Summer Food Service Program applications.** Consistent with Code of Federal Regulations, title 7, part 225, nonprofit organizations applying as new sponsors of the Summer Food Service Program must submit an application to the commissioner by May 1.

Sec. 6. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 124D.111, subdivision 2a, as Minnesota Statutes, section 124D.119, subdivision 7. The revisor must also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2024, section 120B.021, subdivision 2, is amended to read:

Subd. 2. **Standards development.** (a) The commissioner must consider advice from at least the following stakeholders in developing statewide rigorous core academic standards in language arts, mathematics, science, social studies, including history, geography, economics, government and citizenship, health, and the arts:

(1) parents of school-age children and members of the public throughout the state;

(2) teachers throughout the state currently licensed and providing instruction in language arts, mathematics, science, social studies, health, or the arts and licensed elementary and secondary school principals throughout the state currently administering a school site;

(3) currently serving members of local school boards and charter school boards throughout the state;

(4) faculty teaching core subjects at postsecondary institutions in Minnesota;

(5) representatives of the Minnesota business community;

(6) representatives from the Tribal Nations Education Committee and Tribal Nations and communities in Minnesota, including both Anishinaabe and Dakota; and

(7) current students, with input from the Minnesota Youth Council.

(b) Academic standards must:

(1) be clear, concise, objective, and measurable~~, and grade-level appropriate~~;

(2) not require a specific teaching methodology or curriculum; and

(3) be consistent with the Constitutions of the United States and the state of Minnesota.

Sec. 2. Minnesota Statutes 2024, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for comprehensive achievement and civic readiness under sections 120B.11 and 124E.03, subdivision 2, paragraph (i), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize graduating high school students in any school district, charter school, or nonpublic school who demonstrate particular levels of proficiency in one or more languages other than English. The levels of proficiency established under this subdivision are based on the ACTFL's proficiency guidelines. A student is eligible for a seal in a language other than English if the student demonstrates proficiency derived from assessment in the domains of listening, reading, speaking, and writing on an assessment aligned with ACTFL proficiency guidelines or on an equivalent valid and reliable assessment at a level required under paragraph (c). Indigenous American Indian languages and American Sign Language are languages other than English for purposes of this subdivision and world languages for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal students must satisfactorily complete all required English language arts credits.

(c) Consistent with this subdivision, a high school student who demonstrates an overall intermediate high ACTFL level of proficiency derived from assessment in the domains of listening, reading, speaking, and writing in one language in addition to English is eligible to receive the state bilingual gold seal. A high school student who demonstrates an overall intermediate high ACTFL level of proficiency derived from assessment in the domains of listening, reading, speaking, and

writing in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school student who demonstrates an overall advanced-low or above ACTFL level of proficiency derived from assessment in the domains of listening, reading, speaking, and writing in one language in addition to English is eligible to receive the state bilingual platinum seal. A high school student who demonstrates an overall advanced-low or above ACTFL level of proficiency derived from assessment in the domains of listening, reading, speaking, and writing in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

(d) School districts and charter schools may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English. Where valid and reliable assessments aligned with ACTFL proficiency guidelines are unavailable for all four domains, the department must establish alternate options to assess a student's level of non-English language proficiency under this section. The department must publish the alternate options and detailed guidelines for implementation that ensure consistency and maintain alignment with ACTFL proficiency standards. Alternate assessment options may include but are not limited to:

(1) a school district or charter school may rely on evaluators trained in assessing under ACTFL proficiency guidelines ~~to assess a student's level of non-English language proficiency under this section.~~;

(2) portfolio assessment that demonstrates proficiency across multiple domains; or

(3) modified assessment requirements for languages where cultural or structural factors make traditional four-domain assessment inappropriate, as determined by the commissioner in consultation with language communities.

(e) School districts and charter schools must maintain appropriate records to identify high school students eligible to receive the state bilingual or multilingual gold and platinum seals upon graduation. The school district or charter school must notate the appropriate seal to the transcript of each high school student who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school student a fee for this seal.

~~(e)~~ (f) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

~~(f)~~ (g) A school district or charter school may award community service credit to a student who demonstrates an overall intermediate high or above ACTFL level of proficiency derived from assessment in the domains of listening, reading, speaking, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

~~(g)~~ (h) The commissioner must list on the web page the assessments that are aligned to ACTFL proficiency guidelines, and establish guidelines on interpreting the scores or ratings from approved assessments.

~~(h)~~ (i) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who received a Minnesota World Language Proficiency Certificate or Minnesota Bilingual or Multilingual Seals under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

Sec. 3. **[120B.091] MINNESOTA CIVIC SEAL DESIGNATION.**

Subdivision 1. **Establishment.** (a) A Minnesota Civic Seal designation is established for high school students who have demonstrated excellence in civics education and engagement. The purpose of this designation is to encourage civic learning, promote active participation in democratic institutions, and recognize students who have achieved a high level of civic knowledge, skills, and community involvement.

(b) A student must meet the following minimum criteria to be awarded the Minnesota Civic Seal:

(1) complete activities across multiple areas of civic competency, including democratic engagement, civic knowledge, media literacy, community service, and bridge building, with demonstrated proficiency in each area;

(2) complete a civics-related project that involves research, planning, and action on a community issue, resulting in measurable civic impact or engagement; and

(3) complete a reflection that evaluates the learning experience, impact, and personal growth gained from civic engagement activities.

(c) The criteria must be broad enough for any student in any region or community of the state to be able to earn the seal without having to spend personal resources to access the criteria or activity. No specific out-of-school or partisan civic program or provider shall be named or required as specific criteria. A school district or individual school must not be obligated to participate in offering or awarding a Minnesota Civic Seal designation.

Subd. 2. **Minnesota Civic Seal Council.** (a) A Minnesota Civic Seal Council is established to oversee the implementation and ongoing development of the Minnesota Civic Seal designation. The council shall be led by the YMCA Center for Youth Voice.

(b) The council membership must include:

(1) the secretary of state or designee, who shall serve as chair;

(2) the commissioner of education or designee;

(3) two civic educators representing different regions of the state;

(4) two professional development providers with expertise in civics education;

(5) two high school students who have earned or are working toward the Minnesota Civic Seal;

(6) one representative from an institution of higher education;

(7) two civic engagement experts or representatives from nonprofit organizations focused on democracy education or youth civic engagement; and

(8) two members as determined appropriate by the secretary of state.

(c) The YMCA Center for Youth Voice appoints the members listed in paragraph (b), clauses (3) to (7), from among applicants who have submitted applications to serve through the secretary of state's application portal.

(d) The council shall:

(1) establish and periodically review specific criteria and guidelines for awarding the Minnesota Civic Seal;

(2) provide guidance and support to all schools implementing the Minnesota Civic Seal designation;

(3) ensure the criteria remain broad and accessible to students from all regions and backgrounds;

(4) review and approve program implementation plans submitted by participating schools;

(5) promote awareness of the Minnesota Civic Seal designation among students, educators, and communities; and

(6) submit a report annually by September 1 to the legislative committees with jurisdiction over kindergarten through grade 12 education on program participation, outcomes, and recommendations for improvement.

(e) Members of the council shall serve without compensation.

(f) Members of the council shall serve for a term of three years or until the member no longer meets the requirement of the role, whichever is sooner.

(g) The council shall meet at least twice annually, with additional meetings as called by the chair.

(h) This subdivision expires December 31, 2036.

Subd. 3. **School participation.** (a) Participation is optional for any high school to offer the Minnesota Civic Seal designation. A school that offers or awards a Minnesota Civic Seal designation must:

(1) provide information to all high school students regarding the opportunity to earn the Minnesota Civic Seal and the criteria for being awarded the recognition; and

(2) record the designation on the official transcript of each student who earns the Minnesota Civic Seal.

(b) A school must not charge a fee to a student or the student's family for participation in earning the Minnesota Civic Seal.

(c) A school must notify the council of its intent to offer or award a Minnesota Civic Seal designation.

Subd. 4. **Seal and recognition.** (a) The commissioner of education must publish the Minnesota Civic Seal designation requirements adopted by the council on the department's website.

(b) The commissioner may also provide additional materials to schools to recognize and celebrate students who achieve the Minnesota Civic Seal designation.

EFFECTIVE DATE. This section is effective for the 2027-2028 academic school year and applies to students graduating in 2028 and later.

Sec. 4. Minnesota Statutes 2024, section 120B.11, subdivision 1, is amended to read:

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) "Comprehensive achievement and civic readiness" means striving to: ~~meet school readiness goals~~ create developmentally appropriate early learning experiences; close the academic achievement 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; 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.

Sec. 5. Minnesota Statutes 2024, section 123B.045, is amended to read:

123B.045 DISTRICT-CREATED SITE-GOVERNED SCHOOLS.

Subdivision 1. **Authority.** (a) A school board may approve site-governed schools under this section ~~by requesting site-governing school proposals. The request for proposals must include what types of schools or education innovations the board intends to create.~~ after reviewing a proposal that includes a site-governed school's agreement and a proposed memorandum of understanding, if applicable. A proposal is approved when the board enters into a site-governed school agreement under paragraph (c) and a memorandum of understanding under paragraph (b), if applicable. A proposal for a site-governed school at a site that does not have a site council must identify the proposed site council members authorized to enter into the site-governed school agreement with the board, consistent with the requirements for site council members under subdivision 2, paragraph (a), clause (1). A current site may submit a proposal ~~to create a different model for the site~~ if 60 percent or more of the teachers at the site support the proposal. A group of licensed district professionals from one or multiple district sites may submit a proposal. The group submitting the proposal must include parents or other community members in the development of the proposal. ~~A proposal may request approval for a model of a school not included in the request for proposal of the board.~~ Within 90 days of receiving a proposal, the school board must determine whether to approve, deny, or return the proposal to the site for further information or development.

(b) The school board and the applicable bargaining unit representing district employees must enter into memoranda of understanding specifying how applicable sections of current contracts will enable the provisions of subdivision 2, paragraph (a), clauses (7) and (8), to be implemented, if applicable.

~~(c) Within 60 days of receipt of the application, the school board shall determine whether to approve, deny, or return the application to the applicants for further information or development.~~

~~(d) Upon approval of the proposal,~~ (c) An agreement between the district and ~~the~~ one or more site ~~council shall be developed identifying the powers and duties delegated to the site and outlining the details of the proposal including the provisions of subdivisions 2, 3, and 5.~~ councils must:

(1) identify the autonomies and responsibilities delegated to the school site, in addition to the autonomies and responsibilities assigned to the school site under subdivision 2;

(2) identify the specific services provided by the district for the site under subdivision 3, and the district's expectations in supporting the school site;

(3) identify any administrative fees due to the district under subdivision 3;

(4) define clear performance expectations for the school site consistent with subdivision 5; and

(5) provide clear reporting and dispute resolution mechanisms.

(d) A community nonprofit organization supporting an effective partnership between the district and site council may be a party to the agreement.

(e) Any powers or duties not specifically delegated to the school site in the agreement remains with the school board.

(f) An initial agreement between the district and site council must have a term of three years. If the school site substantially meets specified performance expectations, the agreement is automatically renewed for five years.

(g) The parties to a site-governed school agreement have all available remedies at law and equity in addition to the rights and remedies contained in this section.

Subd. 2. **Roles and responsibilities of site-governed schools.** (a) Site-governed schools approved by the school board have the following autonomy and responsibilities at the discretion of the site:

(1) to create the site-governing council of the school. The council shall include teachers including a designee of the exclusive representative of teachers, administrators including the principal, parents, students if appropriate, community members, and other representatives of the community as determined by the site-governing council. Teachers may comprise a majority of the site-governing council at the option of a majority of the teachers at the site. The number of members on the site-governing council, the manner in which members are selected, and the composition shall be included in the ~~proposal~~ agreement approved by the school board;

(2) to determine the leadership model for the site including: selecting a principal, operating as a teacher professional practices model with school leadership functions performed by one or more teachers or administrators at the school or other model determined by the site;

(3) to determine the budget for the site and the allocation and expenditure of the revenue based on provisions of subdivision 3;

(4) to determine the learning model and organization of the school consistent with the application approved by the school board;

(5) to select and develop its curriculum and determine formative and summative assessment practices;

(6) to set policies for the site including student promotion, attendance, discipline, graduation requirements which may exceed the school board standards, and other such rules as approved by the school board consistent with the mission, goals, and learning program of the school site;

(7) to determine the length of the school day and year and employee work rules covered by the terms and conditions of the employment contract;

(8) to select teachers and other staff consistent with current law and collective bargaining agreements and memoranda of understanding provided for in subdivision 1, paragraph (b). ~~At least 70 percent of the teachers must be selected by the site prior to final approval of the agreement. Prior to requesting the district to employ staff not currently employed by the district, the site must first select current district staff including those on requested and unrequested leave as provided for in~~ A school board may not involuntarily assign a district employee to work at a site-governed school. The selection process for staff on requested and unrequested leave of absence under sections 122A.40 and 122A.41 applies to site-governed schools to the same extent as other schools in the district. The school board shall be the legal employer of all staff at the site and all teachers and other staff members of the applicable bargaining units. Teachers and other employees may be required to sign an individual work agreement with the site-governing council committing themselves to the mission and learning program of the school and the requirements of the site-governing council; and

(9) to fulfill other provisions as agreed to by the district and site-governing council.

(b) If a self-governed school created under this section is supervised by a principal, that principal must be licensed, consistent with section 123B.147, subdivision 2.

Subd. 2a. **Teacher-governed schools; grants.** (a) Consistent with subdivision 1 authorizing a school board to agree to assign certain autonomies and responsibilities to a school site, and subject to a memorandum of understanding between the school board and the exclusive representative of the teachers, a grant program is established to encourage licensed teachers employed at a school site to explore and develop organizational models for teaching and learning; provide curriculum and corresponding formative, interim, and summative assessments; measure and evaluate teacher performance; assign teaching positions and restructure instructional work; provide professional development to support teachers restructuring their work; allocate revenue; assert autonomy and leadership; and pursue other such policies, strategies, and activities for creating teacher-governed schools.

(b) The commissioner, after receiving documentation of the approved agreement between the parties under subdivision 1, paragraph ~~(d)~~ (c), shall award grants on a first-come, first-served basis until appropriated funds are expended according to this paragraph:

(1) a planning grant of up to $50,000 during the first year of the parties' agreement; and

(2) an implementation grant of up to $100,000 during each of the next two years of the parties' agreement.

(c) A grant recipient that terminates an agreement before the end of a school year must return a pro rata portion of the grant to the commissioner, the amount of which the commissioner must determine based upon the number of school days remaining in the school year after the agreement is terminated. Grant recipients are encouraged to seek matching funds or in-kind contributions from nonstate sources to supplement the grant awards.

(d) A school district receiving a grant must transmit to the commissioner in an electronic format and post on its website by the end of the school year readily accessible information about recommended best practices based on its experience and progress under this section. The commissioner must make information about these recommended best practices readily available to interested districts and schools throughout Minnesota.

Subd. 3. **Revenue to self-governed school.** (a) The revenue that shall be allocated by the site includes the general education revenue generated by the students at the site from state, local, and private sources, referendum revenue, federal revenue from the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Carl Perkins Act, and other federal programs ~~as agreed to by~~ in accordance with the agreement between the school board and site council.

(b) The district may retain an administrative fee for managing the federal programs, private revenues, and general administrative functions including school board, superintendent, district legal counsel, finance, accountability and self-governed school contract oversight, facilities maintenance, districtwide special education programs, and other such services ~~as agreed to by~~ in accordance with the agreement between the site council and school board. ~~The administrative fee shall be included in the agreement.~~

(c) As part of the agreement, the district may provide specific services for the site and may specify the amount to be paid for each service and retain the revenues for that amount. The formula or procedures for determining the amount of revenue to be allocated to the site each year shall be consistent with this subdivision and incorporated in the site budget annually following a timeline and process that is included in the agreement with the school board. The site is responsible for allocating revenue for all staff at the site and for the other provisions of the agreement with the district board.

(d) All unspent revenue shall be carried over to following years for the sole use of the site.

Subd. 4. **Exemption from statutes and rules.** Except as outlined in this section, site-governed schools established under this section are exempt from and subject to the same laws and rules as are chartered schools under chapter 124E, except that the schools shall be subject to chapters 13, 13D, and 179A, and sections 122A.40, 122A.41, 122A.50, and 122A.51.

Subd. 5. **Performance standards.** (a) The school board and the ~~site~~ site-governing council shall include in the agreement performance standards and expectations that shall include at least the following:

(1) student achievement targets on multiple indicators including either a growth model or value-added growth model;

(2) the criteria and process to be followed if it is determined that the site failed to comply with district oversight and accountability requirements as outlined in the agreement; and

(3) other performance provisions as agreed to.

(b) All agreements shall be filed with the commissioner. ~~The initial agreement shall be for up to three years, shall be reviewed annually, and may be renewed by the district board for additional terms of up to five years based on the performance of the school.~~

Subd. 6. **Board termination of self-governed school authority.** (a) The district board may terminate the agreement for only one or more of the following reasons:

(1) failure of the site to meet the provisions specified in the agreement in subdivision 5 following at least two full school years of the school operating under the agreement;

(2) violations of law; or

(3) ~~other good cause shown~~ imminent risk of irreparable harm to students at the school.

(b) Site-governed schools that are terminated or not renewed ~~for reasons other than cause~~ may request to convert to charter school status as provided for in chapter 124E and, if chartered by the board, shall become the owner of all materials, supplies, and equipment purchased during the period the school was a site-governed school.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 6. Minnesota Statutes 2025 Supplement, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** (a) Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school district, a charter school, or an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. The provisions in this section, including approved admissions standards submitted by an eligible institution, are the only criteria upon which a pupil described in this subdivision may not be permitted to participate in a course offered by an eligible institution.

(b) If an eligible institution accepts a secondary pupil for enrollment under this section, the eligible institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner. The notice must indicate the course and hours of enrollment of that pupil. The eligible institution must notify the pupil's school as soon as practicable if the pupil withdraws from the enrolled course. The eligible institution must also notify the pupil's school as soon as practicable if the pupil has been absent from a course for ten consecutive days on which classes are held, based upon the postsecondary institution's academic calendar, and the pupil is not receiving instruction in their home or hospital or other facility.

(c) If the pupil enrolls in a course for postsecondary credit, the eligible institution must notify~~:~~

~~(1)~~ the pupil about payment in the customary manner used by the eligible institution~~; and~~

~~(2) the pupil's school as soon as practicable if the pupil withdraws from the course or stops attending the course~~.

Sec. 7. Minnesota Statutes 2025 Supplement, section 124D.09, subdivision 7, is amended to read:

Subd. 7. **Dissemination of information; notification of intent to enroll.** By the earlier of (1) three weeks prior to the date by which a student must register for school district, charter school, or Tribal contract school courses for the following school year, or (2) March 1 of each year, a school district, charter school, or Tribal contract school must provide up-to-date information on the school district's, charter school's, or Tribal contract school's website and in materials that are distributed to parents and students about the program, including information about enrollment requirements and the ability to earn postsecondary credit to all pupils in grades 8, 9, 10, and 11. To assist the school

district, charter school, or Tribal contract school in planning, by May 30 of each year, a pupil must ~~inform~~ notify the school district, charter school, or Tribal contract school ~~by October 30 or May 30 of each year of the pupil's intent to enroll in postsecondary courses during the following academic term. A pupil is bound by notifying or not notifying the school district, charter school, or Tribal contract school by October 30 or May 30~~ of the pupil's intent to enroll in courses during the subsequent school year. If a pupil does not provide notice by May 30, and does not participate in a postsecondary course during the fall term, the pupil must provide notice by October 30 to participate in a postsecondary course during the spring term of the same academic year. A pupil's enrollment notification is required once each academic year.

Sec. 8. **[127A.135] HIGH SCHOOL DIPLOMA FOR VETERANS.**

Subdivision 1. **Diploma.** A school district or charter school must, upon a request under subdivision 2, issue a high school diploma to a veteran as defined in section 197.447 who was unable to complete their high school education for reasons related or unrelated to their military service, and who served:

(1) during the Korean Conflict from June 27, 1950, to January 31, 1955; or

(2) during the Vietnam War, either in the country from November 1, 1955, to May 7, 1975, or outside of the country from August 5, 1964, to May 7, 1975.

Subd. 2. **Request.** A veteran may request a diploma on their own behalf, or a family member may make a posthumous request on behalf of a deceased veteran or service member. The high school diploma is awarded based on the veteran's knowledge and experience gained while in service, or the veteran's other relevant lived experience. The school district or charter school may require the veteran or veteran's requestor to provide evidence that the veteran was a Minnesota public school student or is a current Minnesota resident.

Subd. 3. **No report required.** Districts and charter schools are not required to report on diplomas issued under this section.

Subd. 4. **Assistance.** The Minnesota Department of Veterans Affairs and county veteran service officers may provide assistance to districts and charter schools fulfilling these requests, including but not limited to verification of discharge paperwork.

Sec. 9. **MINNESOTA CIVIC SEAL COUNCIL FIRST APPOINTMENTS AND MEETING.**

Subdivision 1. **First appointments.** Appointing authorities must appoint members to the Minnesota Civic Seal Council by August 15, 2026.

Subd. 2. **First meeting.** The secretary of state or a designee must convene the first meeting of the Minnesota Civic Seal Council by September 15, 2026.

Sec. 10. **CURSIVE HANDWRITING.**

In the next review and revision of the language arts academic standards under Minnesota Statutes, section 120B.021, subdivision 4, the commissioner must include expectations for learning to read and write cursive.

ARTICLE 3

THE READ ACT

Section 1. Minnesota Statutes 2024, section 120B.119, subdivision 7, is amended to read:

Subd. 7. **Literacy specialist.** "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board ~~as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher,~~ who has completed professional development approved by the Department of Education in structured literacy.

Sec. 2. Minnesota Statutes 2024, section 120B.119, is amended by adding a subdivision to read:

Subd. 10a. **Parent.** "Parent" means a student's parent or legal guardian.

Sec. 3. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 1, is amended to read:

Subdivision 1. **Literacy goal.** (a) The legislature seeks to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learners and students receiving special education services in achieving their individualized reading goals in order to meet grade-level benchmarks. By the 2026-2027 school year, districts must provide evidence-based reading instruction through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with sections 120B.118 to 120B.124.

(b) To meet this goal, each district must provide teachers and instructional support staff with responsibility for teaching reading and licensed library media specialists with training on evidence-based reading instruction that is approved by the Department of Education by the deadlines provided in section 120B.123, subdivision 5.

(c) Districts are strongly encouraged to adopt a MTSS framework. The framework should include a process for engaging families and communities, monitoring student progress, evaluating program fidelity, and analyzing student outcomes and needs in order to design and implement ongoing evidenced-based, culturally responsive instruction and interventions.

Sec. 4. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district must screen every student enrolled in kindergarten, grade 1, grade 2, and grade 3 using a screening tool approved by the Department of Education three times each school year: (1) within the first six weeks of the school year; (2) by February 15 each year; and (3) within the last six weeks of the school year. Students enrolled in kindergarten, grade 1, grade 2, and grade 3, including multilingual learners, students receiving special education services, and students enrolled in dual language immersion programs, must be universally screened for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia

may be integrated with universal screening for mastery of foundational skills and expressive or receptive language mastery. ~~The screening tool used must be a valid and reliable universal screener that is highly correlated with foundational reading skills. For students reading at grade level, beginning in the winter of grade 2, the oral reading fluency screener may be used to assess reading difficulties, including characteristics of dyslexia, without requiring a separate screening of each subcomponent of foundational reading skills.~~ A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan submission due on June 15. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In these limited cases, the student must continue to receive progress monitoring and literacy interventions.

(b) For students enrolled in dual language immersion programs:

(1) if students are screened in the partner language, they must be screened at the same interval as the screenings in English under paragraph (a);

(2) if the program provides instruction in foundational reading skills in English, the students receiving that instruction must be screened in English;

(3) if the program provides instruction in foundational reading skills in the partner language, the students receiving that instruction must be screened in the partner language;

(4) if no screener is available in the partner language, the districts must identify how students' reading proficiency is assessed and how the districts determine and provide targeted reading instruction in the partner language and supports to students identified as needing additional support in developing mastery of foundational reading skills; and

(5) the partner language screening tool must be approved by the district for kindergarten through grade 3 students.

(c) Students in grades 4 and above, including multilingual learners and students receiving special education services, who are not reading at grade level must be screened for reading difficulties, including characteristics of dyslexia, using a screening tool approved by the Department of Education, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the students achieve grade-level proficiency. A parent, in consultation with a teacher, may opt a student out of the literacy screener if the parent and teacher decide that continuing to screen would not be beneficial to the student. In such limited cases, the student must continue to receive progress monitoring and literacy interventions.

(d) Reading screeners in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of multilingual learners. The district must use an approved, developmentally appropriate, and culturally responsive screener and annually report summary screener results to the commissioner by June 15 in the form and manner determined by the commissioner.

(e) An English language learner must be screened for characteristics of dyslexia according to the vendor's assessment guidelines.

~~(e)~~ (f) The district also must include in its local literacy plan under subdivision 4a, a summary of the district's efforts to screen, identify, and provide interventions to students who demonstrate characteristics of dyslexia as measured by a screening tool approved by the Department of Education. Districts are strongly encouraged to use a MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

(1) a summary of the district's efforts to screen for characteristics of reading difficulties, including dyslexia;

(2) the number of students universally screened for that reporting year;

(3) the number of students demonstrating characteristics of dyslexia for that year; and

(4) an explanation of how students identified under this subdivision are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

Sec. 5. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 2a, is amended to read:

Subd. 2a. **Parent notification and involvement.** (a) A district must administer an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must administer an approved reading screener to students in grades 4 through 12 who are not reading at grade level at least once per year until the student reaches grade-level proficiency. Schools, after administering each screener, must follow the language access plan under section 123B.32 and give the parent of each student who is not reading at or above grade level information from the screener about:

(1) the student's reading proficiency as measured by a screener approved by the Department of Education;

(2) reading-related services currently being provided to the student and the student's progress; and

(3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

(b) For students enrolled in dual language immersion programs, the district must measure the student's reading proficiency in English or in the program's partner language, if available, according to subdivision 2. Following the district's language access plan under section 123B.32, the district must notify families with timely information about students' reading proficiency, including how the student's reading proficiency is assessed, any reading-related services or supports provided to the student and the student's progress, and strategies for families to use at home in helping students succeed in becoming grade-level proficient in reading in English or the partner language. The dual language immersion program may provide information about national research on reading proficiency for students in dual language immersion programs in the parent notification.

(c) A district may not use this section to deny a student's right to a special education evaluation.

Sec. 6. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 4, is amended to read:

Subd. 4. **Staff development.** (a) A district must provide training on evidence-based structured literacy instruction to teachers and instructional staff in accordance with subdivision 1, paragraphs (b) and (c). The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) Each district shall use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement explicit, systematic, evidence-based instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension with emphasis on mastery of foundational reading skills as defined in section 120B.119 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers receive training to provide students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have opportunities to improve reading and writing instruction through approved professional development identified in the local literacy plan;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including academic language development, and build academic literacy; ~~and~~

(5) licensed teachers are trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships~~.~~<u>; and</u>

<u>(6) licensed library media specialists employed by the district have sufficient training to select appropriate materials to supplement classroom reading and writing instruction and to serve the literacy needs of students.</u>

(c) A district that offers early childhood programs, including voluntary prekindergarten for eligible four-year-old children, early childhood special education, and school readiness programs, must provide classroom teachers in early childhood programs training approved by the Department of Education to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

Sec. 7. Minnesota Statutes 2025 Supplement, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level every year beginning in kindergarten and to support multilingual learners and students receiving special education services in achieving their individualized reading goals. A district must update and submit the plan to the commissioner by June 15 each year. The plan must be consistent with the Read Act, and include the following:

(1) a process to assess students' foundational reading skills, oral language, and level of reading proficiency and the approved screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention;

(5) identification of staff development needs, including a plan to meet those needs;

(6) the curricula used by school site and grade level and, if applicable, the district plan and timeline for adopting evidence-based curricula and materials starting in the 2025-2026 school year;

(7) a statement of whether the district has adopted a MTSS framework;

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education for the following students:

(i) students in kindergarten through grade 3;

(ii) students who demonstrate characteristics of dyslexia; and

(iii) students in grades 4 to 12 who are identified as not reading at grade level;

(9) the number of teachers and other staff who have completed training approved by the department;

(10) the number of teachers and other staff proposed for training in structured literacy;

(11) how the district used funding provided under the Read Act to implement the requirements of the Read Act;

(12) beginning as soon as practicable after the end of fiscal year 2026, how the district used literacy aid funding received under section 124D.98; ~~and~~

(13) beginning on December 31, 2025, for a district with a dual language immersion program:

(i) the program's partner language;

(ii) grade levels included in the program;

(iii) the language used to screen students' foundational reading skills;

(iv) the percentage of grade 3 students taking the Minnesota Comprehensive Assessments; and

(v) the number of students in the program in grades 4 to 12 who are identified as not reading at grade level.; and

(14) a description of how schools in the district will use the school library media center to complement students' foundational reading skills with the guidance of a licensed library media specialist.

(b) Annually by June 15, the district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education.

(c) Districts must use a streamlined template developed by the commissioner of education for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff, by grade level, who have completed training approved by the Department of Education;

(2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training;

(3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education;

(4) the statewide total number of teachers or other staff required to complete the training under section 120B.123, subdivision 5, that have received other training or education that meets the requirements of the training approved by the Department of Education;

(5) by school site and grade, the approved screeners and the reading curriculum used;

(6) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2); and

(7) information about dual language immersion programs.

(e) By December 1, 2026, and December 1, 2027, the commissioner of education must submit updated reports containing the information required under paragraph (d) and updates and recommendations from the dual language immersion advisory committee established under subdivision 6, to the legislative committees with jurisdiction over prekindergarten through grade 12 education.

Sec. 8. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 1, is amended to read:

Subdivision 1. **Approved screeners.** (a) A district must administer an approved evidence-based reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, by February 15 each year, and again within the last six weeks of the school year. A district must provide vendor-approved screening accommodations to students with documented accommodation plans. The screener must be one of the screening tools approved by the Department of Education. A district must identify any screener it uses in the district's annual literacy plan, and submit screening data with the annual literacy plan by June 15.

(b) Starting in the 2024-2025 school year, district staff and external partners offering literacy supports in schools may only use screeners that have been approved by the Department of Education.

Sec. 9. Minnesota Statutes 2025 Supplement, section 120B.123, subdivision 5, is amended to read:

Subd. 5. **Professional development.** (a) A district must provide training from a menu of approved evidence-based training programs to the following teachers and staff by July 1, 2026:

(1) reading intervention teachers working with students in kindergarten through grade 12;

(2) all classroom teachers of students in kindergarten through grade 3 and children in prekindergarten programs;

(3) kindergarten through grade 12 special education teachers responsible for foundational reading instruction;

(4) curriculum directors;

(5) instructional support staff, contractors, and volunteers who assist in providing reading interventions under the oversight and monitoring of a trained licensed teacher;

(6) employees who select literacy instructional materials for a district; and

(7) teachers holding English as a second language teaching licenses.

(b) A district must provide training from a menu of approved evidence-based training programs to the following teachers by July 1, 2027:

(1) teachers who provide foundational reading instruction to students in grades 4 to 12;

(2) teachers who provide instruction to students in a state-approved alternative program; ~~and~~

(3) teachers who provide instruction to students in dual language immersion programs.; and

(4) licensed library media specialists.

(c) The commissioner of education may grant a district an extension to the deadlines in this subdivision.

(d) Training provided by the following may satisfy the professional development requirements under this subdivision:

(1) a certified trained facilitator; or

(2) a training program that the department has determined meets the professional development requirements under the Read Act.

(e) Beginning July 1, 2027, an educator required to receive training under paragraph (a), who is new to the state of Minnesota or is a newly licensed teacher who did not receive instruction in the teaching of foundational reading skills based on structured literacy, must complete one of the approved required trainings. Training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. The Department of Education must review district literacy lead waiver requests and grant waivers to educators new to the state or educators who provide reading instruction exclusively using alternatives to sound-based approaches, and who have completed the professional development requirements consistent with this subdivision.

(f) For the 2024-2025 and, 2025-2026, and 2026-2027 school years only, the hours of instruction requirement under section 120A.41 for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, is reduced by 5-1/2 hours for a district that enters into an agreement with the exclusive representative of the teachers that requires teachers to receive at least 5-1/2 hours of approved evidence-based training required under this subdivision, on a day when other students in the district receive instruction. If a charter school's teachers are not represented by an exclusive representative, the charter school may reduce the number of instructional hours for students in elementary and secondary school, as defined in section 120A.05, subdivisions 9 and 13, by 5-1/2 hours after consulting with its teachers in order to provide teachers with at least 5-1/2 hours of evidence-based training required under this subdivision on a day when other students receive instruction. The hours of instruction reduction for secondary school students is applicable only for the 2025-2026 and 2026-2027 school year years.

(g) An educator who was enrolled in an elementary, special education or early childhood education Minnesota-approved teacher preparation program on or after June 1, 2026, does not need to receive additional training according to paragraph (a).

Sec. 10. Minnesota Statutes 2024, section 120B.123, is amended by adding a subdivision to read:

Subd. 8. **Accessibility standards.** (a) All professional development and digital curriculum resources must comply with the accessibility standards developed according to section 16E.03, subdivision 9.

(b) Professional development provided in accordance with the Read Act is subject to the requirements of section 363A.43.

Sec. 11. Minnesota Statutes 2024, section 120B.124, is amended by adding a subdivision to read:

Subd. 1a. **Department of Education.** (a) The curricula and supporting materials identified according to subdivision 1 or through the ongoing review of literacy materials in subdivision 5 must be categorized as highly aligned, partially aligned, minimally aligned, or not aligned to evidence-based structural literacy practices. For the purposes of this section, the review resource categories are defined as follows:

(1) "highly aligned" means 100 percent of domains were at or above the cut point with no significant red flags identified for the program. Curriculum and intervention materials that are not reviewed do not meet criteria for Tier 1 interventions and must not be categorized as highly aligned;

(2) "partially aligned" means 60 to 99 percent of domains were at or above the cut point;

(3) "minimally aligned" means 34 to 59 percent of domains were at or above the cut point; and

(4) "not aligned" means 33 percent or less of domains were at or above the cut point.

(b) When planning for curriculum implementation, it is a district's responsibility to verify that curriculum and intervention materials align with evidence-based structured literacy practices. A district must resolve any issues identified by the department in the review of materials using the Read Act rubric and report of reviewed resources.

(c) A district must ensure that any red flags for a program are resolved through district enhancements to the selected program.

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

Sec. 12. Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 5, is amended to read:

Subd. 5. **Ongoing review of literacy materials.** (a) By October 1, 2026, the department must establish an ongoing review process in order to identify curriculum and intervention materials that are evidence-based, focused on structural literacy, culturally and linguistically responsive, and reflective of diverse populations. The department may partner with one or more institutions of higher education or a third party to conduct independent and objective reviews of curriculum and intervention materials. The department must determine whether it will partner with an institution of higher education or a third party to conduct ongoing reviews of literacy materials by ~~June~~ October 1, 2026. A publisher may submit curriculum or intervention materials for review. The publisher is responsible for paying the cost of the review directly to ~~the~~ a partnering institution of higher education or third party. The review must use the Read Act rubric used to approve curriculum ~~and post~~. The department may modify the Read Act rubric to reflect the changing needs of grade levels and special populations, including the Minnesota English Language Arts standards, culturally and linguistically responsive criteria, and criteria reflective of diverse populations. The Read Act rubric must be posted on the department website. The department and ~~institution of higher education~~ its partner may approve the

curriculum or intervention materials if they determine that the curriculum or intervention materials are evidence-based, focused on structured literacy, culturally and linguistically responsive, and reflect diverse populations. The department must add the approved curriculum or intervention materials to the list of curricula and materials approved under the Read Act. Following each review cycle, the department must post the findings of the curriculum and intervention materials review on the department website. Alternative curriculum and intervention programs for those who cannot access sound-based approaches must be reviewed on the same review cycle as traditional programs.

(b) A program undergoing a full review cycle must be added to the reviewed curricula and intervention program list after the review process is completed.

(c) Resources that are categorized as minimally aligned or not aligned to evidence-based structural literacy practices do not qualify for use of literacy aid under section 124D.98 or state funding provided under the Read Act.

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

Sec. 13. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 120B.124, subdivision 6, is repealed.

ARTICLE 4

TEACHERS

Section 1. Minnesota Statutes 2024, section 120B.363, subdivision 1, is amended to read:

Subdivision 1. **Rulemaking.** The ~~Professional Educator Licensing and Standards Board~~ commissioner must adopt rules to implement a statewide credential for education paraprofessionals who assist a licensed teacher in providing student instruction. Any paraprofessional holding this credential or working in a local school district after meeting a state-approved local assessment is considered to be highly qualified under federal law. Under this subdivision, ~~the Professional Educator Licensing and Standards Board, in consultation with~~ the commissioner~~,~~ must adopt qualitative criteria for approving local assessments that include an evaluation of a paraprofessional's knowledge of reading, writing, and math and the paraprofessional's ability to assist in the instruction of reading, writing, and math. The commissioner must approve or disapprove local assessments using these criteria. The commissioner must make the criteria available to the public.

Sec. 2. Minnesota Statutes 2024, section 120B.363, subdivision 2, is amended to read:

Subd. 2. **Training possibilities.** In adopting rules under subdivision 1, the ~~board~~ commissioner must consider including provisions that provide training in: students' characteristics; teaching and learning environment; academic instruction skills; student behavior; and ethical practices.

Sec. 3. Minnesota Statutes 2025 Supplement, section 121A.642, subdivision 4, is amended to read:

Subd. 4. **Qualifications.** (a) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 300.156, if the paraprofessional:

(1) has at least two years of college credits through an accredited institution of higher education, or an associate's degree or higher;

(2) has received a passing score on an assessment approved by the Department of Education; or

(3) demonstrates the following competencies, regardless of the number of hours of training the paraprofessional has received:

(i) understanding the distinctions between roles and responsibilities of professionals, paraprofessionals, and support personnel;

(ii) understanding the purposes and goals of education and instruction for all students;

(iii) knowledge of relevant laws, rules, regulations, and local district policies and procedures to ensure paraprofessionals work within these parameters;

(iv) awareness of the challenges and expectations of various learning environments;

(v) the ability to establish and maintain rapport with students;

(vi) the ability to follow oral and written direction of licensed teachers, seeking clarification as needed;

(vii) the ability to assist and reinforce elements that support a safe, healthy, and effective teaching and learning environment;

(viii) understanding strategies for assisting with the inclusion of students in various settings;

(ix) the ability to use strategies that promote the student's independence;

(x) understanding applicable laws, rules, and regulations, and procedural safeguards regarding the management of student behaviors;

(xi) awareness of the primary factors that influence student behavior;

(xii) the ability to effectively employ a variety of strategies that reinforce positive behavior;

(xiii) the ability to use ethical practices for confidential communication about students;

(xiv) the ability to follow teacher instructions while conferring and collaborating with teachers about student schedules, instructional goals, and performance;

(xv) demonstrating a commitment to assisting students in reaching the students' highest potential, including the modeling of positive behavior;

(xvi) showing respect for the diversity of students;

(xvii) showing a willingness to participate in ongoing staff development and self-evaluation and to apply constructive feedback;

(xviii) supporting and reinforcing the instruction of students in mathematics following written and oral lesson plans developed by licensed teachers;

(xix) supporting and reinforcing the instruction of students in reading following written and oral lesson plans developed by licensed teachers. Professional development required under the Read Act in section 120B.123 exceeds this requirement; and

(xx) supporting and reinforcing the instruction of students in writing following written and oral lesson plans developed by licensed teachers.

(b) Starting in the 2025-2026 school year, a paraprofessional meets the federal personnel qualifications required in Code of Federal Regulations, title 34, section 200.58, if the paraprofessional:

(1) has at least two years of college credits from an accredited institution of higher education, or an associate's degree or higher; or

(2) met a rigorous standard of quality and can demonstrate, through a formal state or local academic assessment, knowledge of and the ability to assist in instructing, as appropriate:

(i) reading or language arts, writing, and mathematics; or

(ii) reading readiness, writing readiness, and mathematics readiness.

(c) Upon request from a paraprofessional employed by a school district, charter school, or cooperative unit providing direct instructional services, the school district, charter school, or cooperative unit may provide administrative assistance to the paraprofessional when completing requirements related to the competencies required under this subdivision.

(d) A paraprofessional who demonstrates the competencies listed in paragraph (a), clause (3), must be deemed to have obtained a passing score on a formal state or local academic assessment in accordance with paragraph (a), clause (2). The department must take any steps necessary to ensure the paraprofessional meets federal qualification requirements, including but not limited to applying for a waiver under Code of Federal Regulations, title 20, section 5891b. A district or charter school must maintain the paraprofessional's completed assessment and documentation that the paraprofessional demonstrated the required competencies in the paraprofessional's personnel file.

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

Sec. 4. Minnesota Statutes 2024, section 122A.09, subdivision 9, is amended to read:

Subd. 9. **Professional Educator Licensing and Standards Board must adopt rules.** (a) The Professional Educator Licensing and Standards Board must adopt rules subject to the provisions of chapter 14 to implement sections ~~120B.363,~~ 122A.05 to 122A.09, 122A.092, 122A.16, 122A.17, 122A.18, 122A.181, 122A.182, 122A.183, 122A.184, 122A.185, 122A.187, 122A.188, 122A.19, 122A.20, 122A.21, 122A.23, 122A.26, 122A.28, 122A.29, and 124D.72.

(b) The board must adopt rules relating to fields of licensure and grade levels that a licensed teacher may teach, including a process for granting permission to a licensed teacher to teach in a field that is different from the teacher's field of licensure without change to the teacher's license tier level.

(c) If a rule adopted by the board is in conflict with a session law or statute, the law or statute prevails. Terms adopted in rule must be clearly defined and must not be construed to conflict with terms adopted in statute or session law.

(d) The board must include a description of a proposed rule's probable effect on teacher supply and demand in the board's statement of need and reasonableness under section 14.131.

(e) The board must adopt rules only under the specific statutory authority.

Sec. 5. Minnesota Statutes 2024, section 122A.092, is amended by adding a subdivision to read:

Subd. 10. **Early literacy field experience.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare teacher candidates to provide instruction in early literacy must require a supervised early literacy field experience aligned to evidence-based best practices in reading consistent with sections 120B.118 to 120B.124. The early literacy field experience requirement applies to teacher candidates who enroll in teacher preparation programs in the 2027-2028 school year or later.

(b) The early literacy field experience must be integrated with learning experiences in reading instruction, including instruction on reading methods or equivalent, and must provide teacher candidates with opportunities to apply evidence-based literacy practices with students.

(c) The Professional Educator Licensing and Standards Board must adopt rules regarding the early literacy field experience requirement, including but not limited to:

(1) defining licensure areas in which teacher candidates must complete the early literacy field experience;

(2) establishing expectations for the scope and outcomes of the early literacy field experience;

(3) ensuring the field experience occurs primarily within a school building during the instructional day, while allowing for waivers when appropriate to accommodate unique program delivery models or documented hardship; and

(4) requiring the field experience to include observation with actionable feedback to ensure growth and attainment of related reading standards.

(d) In adopting rules under this subdivision, the board must allow flexibility for teacher preparation programs to demonstrate that candidates have met required standards through field experiences.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 122A.16, is amended to read:

122A.16 QUALIFIED TEACHER DEFINED.

A qualified teacher is one holding a valid license, under this chapter, to perform the particular service for which the teacher is employed in a public school. A qualified teacher is not an artificial intelligence model and it must not perform the service for which a teacher is employed in a public school. This does not preclude a licensed teacher from using an artificial intelligence model as a tool to assist them in performing their services. For the purposes of this section, "artificial intelligence model" means a machine-based system that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 7. Minnesota Statutes 2025 Supplement, section 122A.18, subdivision 1, is amended to read:

Subdivision 1. **Authority to license.** (a) The Professional Educator Licensing and Standards Board must issue the following teacher licenses to applicants who meet the qualifications prescribed by this chapter:

(1) Tier 1 license under section 122A.181;

(2) Tier 2 license under section 122A.182;

(3) Tier 3 license under section 122A.183; and

(4) Tier 4 license under section 122A.184.

(b) The Board of School Administrators must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) The Professional Educator Licensing and Standards Board and the Department of Education must enter into a data sharing agreement to share:

(1) educational data at the E-12 level for the limited purpose of program approval and improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern; and

(2) data in the staff automated reporting system for the limited purpose of managing and processing funding to school districts and other entities. The board has authority to collect and retain nonlicensed staff data on behalf of the Department of Education. The board must share licensed and nonlicensed staff data with the department as outlined in the data sharing agreement required under paragraph (d). The department may access and use the data as required under federal or state law and for the purposes outlined in the data sharing agreement.

(d) The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

(e) The Professional Educator Licensing and Standards Board and the Board of School Administrators must enter into a data sharing agreement to share data in the staff automated reporting system for the limited purpose of managing and processing administrative licenses, including overseeing ethics and compliance. The board must share licensed staff data with the Board of School Administrators as outlined in the data sharing agreement. The Board of School Administrators may access and use the data as required under federal or state law and for the purposes outlined in the data sharing agreement.

~~(e)~~ (f) For purposes of the data sharing agreements under paragraphs (c) ~~and (d)~~ to (e), the Professional Educator Licensing and Standards Board, Board of School Administrators, and Department of Education may share private data, as defined in section 13.02, subdivision 12, on teachers and school administrators. The data sharing agreements must not include educational data, as defined in section 13.32, subdivision 1, but may include summary data, as defined in section 13.02, subdivision 19, derived from educational data.

Sec. 8. Minnesota Statutes 2025 Supplement, section 122A.181, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 1 license for a term of one year. A Tier 1 license may be renewed subject to paragraphs (b) to (d).

(b) The Professional Educator Licensing and Standards Board must renew a Tier 1 license if:

(1) the district or charter school requesting the renewal demonstrates that it has posted the teacher position but was unable to hire an acceptable teacher with a Tier 2, 3, or 4 license for the position;

(2) the teacher holding the Tier 1 license took a content examination in accordance with section 122A.185 and submitted the examination results to the teacher's employing district or charter school within one year of the board approving the request for the initial Tier 1 license;

(3) the teacher holding the Tier 1 license participated in cultural competency training consistent with section 120B.30, subdivision 8, within one year of the board approving the request for the initial Tier 1 license; and

(4) the teacher holding the Tier 1 license met the mental ~~illness~~ health training renewal requirement under section 122A.187, subdivision 6.

The requirement in clause (2) does not apply to a teacher that teaches a class in a career and technical education or career pathways course of study.

(c) A Tier 1 license must not be renewed more than three times, unless the requesting district or charter school can show good cause for additional renewals. A Tier 1 license issued to teach (1) a class or course in a career and technical education or career pathway course of study, or (2) in a shortage area, as defined in section 122A.06, subdivision 6, may be renewed without limitation.

(d) Starting July 1, 2027, a Tier 1 licensed early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher

responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, must demonstrate progress toward meeting the evidence-based literacy training requirements of section 120B.123, subdivision 5a, for their second licensure renewal.

Sec. 9. Minnesota Statutes 2024, section 122A.182, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The Professional Educator Licensing and Standards Board must approve an application for a Tier 2 license in a specified content area if:

(1) the application has been submitted jointly by the applicant and the district;

(2) the application has been paid for by the district or the applicant;

(3) the applicant holds a bachelor's degree, unless specifically exempt by statute or rule;

(4) the district demonstrates that a criminal background check under section 122A.18, subdivision 8, has been completed for the applicant; and

(5) the applicant:

(i) ~~has completed a state-approved teacher preparation program;~~

~~(ii)~~ is enrolled in a Minnesota-approved teacher preparation program; ~~or~~

(ii) is enrolled in a state-approved teacher preparation program in a bordering state with equivalent student teaching requirements;

(iii) is enrolled in a state-approved teacher preparation program not offered in Minnesota with equivalent student teaching requirements;

(iv) is enrolled in a state-approved teacher preparation program in a shortage area with equivalent student teaching requirements; or

~~(iii)~~ (v) has a master's degree in the specified content area.

Sec. 10. Minnesota Statutes 2025 Supplement, section 122A.182, subdivision 3, is amended to read:

Subd. 3. **Term of license and renewal.** (a) The Professional Educator Licensing and Standards Board must issue an initial Tier 2 license for a term of two years. A Tier 2 license may be renewed three times.

(b) Before a Tier 2 license is renewed for the first time, a teacher holding a Tier 2 license must participate in cultural competency training consistent with section 120B.30, subdivision 8, and mental ~~illness~~ health training under section 122A.187, subdivision 6.

(c) Starting July 1, 2027, a Tier 2 licensed early childhood education teacher, elementary education teacher, special education teacher who is responsible for teaching reading, kindergarten

through grade 12 English as a second language teacher, grade 4 through 12 classroom teacher responsible for foundational reading skills instruction, teacher who provides instruction to students in a state-approved alternative program, or a teacher who is responsible for selecting literacy curriculum materials for grades 6 through 12, must demonstrate that they have made progress toward completing the evidence-based literacy training requirements of section 120B.123, subdivision 5a, for the first renewal of their initial license.

(d) The board must issue rules setting forth the conditions for additional renewals after the initial license has been renewed three times.

Sec. 11. Minnesota Statutes 2024, section 122A.182, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 2 license is limited to the content matter indicated on the application for the initial Tier 2 license under subdivision 1, and limited to the district or charter school that requested the initial Tier 2 license.

(b) A Tier 2 license shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

(c) A Tier 2 licensed teacher who obtains a Tier 2 license based on their enrollment in a state-approved teacher preparation program under subdivision 1, clause (5), item (ii), (iii), or (iv), does not mean the teacher met the coursework requirements under section 122A.183, subdivision 2, paragraph (a), clause (5), to obtain a Tier 3 license after three years of teaching experience under a Tier 2 license.

Sec. 12. Minnesota Statutes 2024, section 122A.187, subdivision 6, is amended to read:

Subd. 6. **Mental ~~illness~~ health.** The Professional Educator Licensing and Standards Board must adopt rules that require all licensed teachers renewing a teaching license under sections 122A.181 to 122A.184 to include in the renewal requirements ~~at least one hour of suicide prevention best practices training~~ focused professional development of at least five hours in student mental health and wellness in each licensure renewal period based on nationally recognized evidence-based programs and practices, among the continuing education credits required to renew a license under this subdivision. Initial training must include understanding the key warning signs and characteristics of early-onset mental illness in children and adolescents, ~~and~~ including how to address mental health concerns where a child may pose a threat to themselves or others. During subsequent licensure renewal periods, training must include a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' roles in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, suicide prevention, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics. This subdivision does not allow or require teachers to diagnose or create treatment plans for mental illness.

Sec. 13. **[122A.93] INTERSTATE TEACHER MOBILITY COMPACT.**

ARTICLE I
PURPOSE

The purpose of this compact is to facilitate the mobility of teachers across the member states, with the goal of supporting teachers through a new pathway to licensure. Through this compact, the member states seek to establish a collective regulatory framework that expedites and enhances the ability of teachers to move across state lines.

This compact is intended to achieve the following objectives and should be interpreted accordingly. The member states hereby ratify the same intentions by subscribing hereto.

(1) Create a streamlined pathway to licensure mobility for teachers;

(2) Support the relocation of eligible military spouses;

(3) Facilitate and enhance the exchange of licensure, investigative, and disciplinary information between the member states;

(4) Enhance the power of state and district level education officials to hire qualified, competent teachers by removing barriers to the employment of out-of-state teachers;

(5) Support the retention of teachers in the profession by removing barriers to relicensure in a new state; and

(6) Maintain state sovereignty in the regulation of the teaching profession.

ARTICLE II
DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall govern the terms herein:

(1) "Active military member" means any person with full-time duty status in the armed forces of the United States, including members of the National Guard and Reserve.

(2) "Adverse action" means any limitation or restriction imposed by a member state's licensing authority, such as revocation, suspension, reprimand, probation, or limitation on the licensee's ability to work as a teacher.

(3) "Bylaws" means those bylaws established by the commission.

(4) "Career and technical education license" means a current, valid authorization issued by a member state's licensing authority allowing an individual to serve as a teacher in P-12 public educational settings in a specific career and technical education area.

(5) "Charter member states" means a member state that has enacted legislation to adopt this compact where such legislation predates the initial meeting of the commission after the effective date of the compact.

(6) "Commission" means the interstate administrative body which membership consists of delegates of all states that have enacted this compact, and which is known as the Interstate Teacher Mobility Compact Commission.

(7) "Commissioner" means the delegate of a member state.

(8) "Eligible license" means a license to engage in the teaching profession which requires at least a bachelor's degree and the completion of a state approved program for teacher licensure.

(9) "Eligible military spouse" means the spouse of any individual in full-time duty status in the active armed forces of the United States including members of the National Guard and Reserve moving as a result of a military mission or military career progression requirements or are on their terminal move as a result of separation or retirement (to include surviving spouses of deceased military members).

(10) "Executive committee" means a group of commissioners elected or appointed to act on behalf of, and within the powers granted to them by, the commission as provided for herein.

(11) "Licensing authority" means an official, agency, board, or other entity of a state that is responsible for the licensing and regulation of teachers authorized to teach in P-12 public educational settings.

(12) "Member state" means any state that has adopted this compact, including all agencies and officials of such a state.

(13) "Receiving state" means any state where a teacher has applied for licensure under this compact.

(14) "Rule" means any regulation promulgated by the commission under this compact, which shall have the force of law in each member state.

(15) "State" means a state, territory, or possession of the United States, and the District of Columbia.

(16) "State practice laws" means a member state's laws, rules, and regulations that govern the teaching profession, define the scope of such profession, and create the methods and grounds for imposing discipline.

(17) "State specific requirements" means a requirement for licensure covered in coursework or examination that includes content of unique interest to the state.

(18) "Teacher" means an individual who currently holds an authorization from a member state that forms the basis for employment in the P-12 public schools of the state to provide instruction in a specific subject area, grade level, or student population.

(19) "Unencumbered license" means a current, valid authorization issued by a member state's licensing authority allowing an individual to serve as a teacher in P-12 public educational settings. An unencumbered license is not a restricted, probationary, provisional, substitute or temporary credential.

ARTICLE III
LICENSURE UNDER THE COMPACT

(a) Licensure under this compact pertains only to the initial grant of a license by the receiving state. Nothing herein applies to any subsequent or ongoing compliance requirements that a receiving state might require for teachers.

(b) Each member state shall, in accordance with the rules of the commission, define, compile, and update as necessary, a list of eligible licenses and career and technical education licenses that the member state is willing to consider for equivalency under this compact and provide the list to the commission. The list shall include those licenses that a receiving state is willing to grant to teachers from other member states, pending a determination of equivalency by the receiving state's licensing authority.

(c) Upon the receipt of an application for licensure by a teacher holding an unencumbered eligible license, the receiving state shall determine which of the receiving state's eligible licenses the teacher is qualified to hold and shall grant such a license or licenses to the applicant. Such a determination shall be made in the sole discretion of the receiving state's licensing authority and may include a determination that the applicant is not eligible for any of the receiving state's eligible licenses. For all teachers who hold an unencumbered license, the receiving state shall grant one or more unencumbered license(s) that, in the receiving state's sole discretion, are equivalent to the licenses held by the teacher in any other member state.

(d) For active military members and eligible military spouses who hold a license that is not unencumbered, the receiving state shall grant an equivalent license or licenses that, in the receiving state's sole discretion, is equivalent to the license or licenses held by the teacher in any other member state, except where the receiving state does not have an equivalent license.

(e) For a teacher holding an unencumbered career and technical education license, the receiving state shall grant an unencumbered license equivalent to the career and technical education license held by the applying teacher and issued by another member state, as determined by the receiving state in its sole discretion, except where a career and technical education teacher does not hold a bachelor's degree and the receiving state requires a bachelor's degree for licenses to teach career and technical education. A receiving state may require career and technical education teachers to meet state industry recognized requirements, if required by law in the receiving state.

ARTICLE IV
LICENSURE NOT UNDER THE COMPACT

(a) Except as provided in article III above, nothing in this compact shall be construed to limit or inhibit the power of a member state to regulate licensure or endorsements overseen by the member state's licensing authority.

(b) When a teacher is required to renew a license received pursuant to this compact, the state granting such a license may require the teacher to complete state specific requirements as a condition of licensure renewal or advancement in that state.

(c) For the purposes of determining compensation, a receiving state may require additional information from teachers receiving a license under the provisions of this compact.

(d) Nothing in this compact shall be construed to limit the power of a member state to control and maintain ownership of its information pertaining to teachers, or limit the application of a member

state's laws or regulations governing the ownership, use, or dissemination of information pertaining to teachers.

(e) Nothing in this compact shall be construed to invalidate or alter any existing agreement or other cooperative arrangement which a member state may already be a party to, or limit the ability of a member state to participate in any future agreement or other cooperative arrangement to:

(1) award teaching licenses or other benefits based on additional professional credentials, including, but not limited to national board certification;

(2) participate in the exchange of names of teachers whose license has been subject to an adverse action by a member state; or

(3) participate in any agreement or cooperative arrangement with a non-member state.

ARTICLE V
TEACHER QUALIFICATIONS AND REQUIREMENTS FOR LICENSURE UNDER THE COMPACT

(a) Except as provided for active military members or eligible military spouses in article III.D above, a teacher may only be eligible to receive a license under this compact where that teacher holds an unencumbered license in a member state.

(b) A teacher eligible to receive a license under this compact shall, unless otherwise provided for herein:

(1) upon their application to receive a license under this compact, undergo a criminal background check in the receiving state in accordance with the laws and regulations of the receiving state; and

(2) provide the receiving state with information in addition to the information required for licensure for the purposes of determining compensation, if applicable.

ARTICLE VI
DISCIPLINE AND ADVERSE ACTIONS

(a) Nothing in this compact shall be deemed or construed to limit the authority of a member state to investigate or impose disciplinary measures on teachers according to the state practice laws thereof.

(b) Member states shall be authorized to receive, and shall provide, files and information regarding the investigation and discipline, if any, of teachers in other member states upon request. Any member state receiving such information or files shall protect and maintain the security and confidentiality thereof, in at least the same manner that it maintains its own investigatory or disciplinary files and information. Prior to disclosing any disciplinary or investigatory information received from another member state, the disclosing state shall communicate its intention and purpose for such disclosure to the member state which originally provided that information.

ARTICLE VII
ESTABLISHMENT OF THE INTERSTATE TEACHER MOBILITY COMPACT COMMISSION

(a) The interstate compact member states hereby create and establish a joint public agency known as the Interstate Teacher Mobility Compact Commission:

(1) The commission is a joint interstate governmental agency comprised of states that have enacted the Interstate Teacher Mobility Compact.

(2) Nothing in this interstate compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings

(1) Each member state shall have and be limited to one (1) delegate to the commission, who shall be given the title of commissioner.

(2) The commissioner shall be the primary administrative officer of the state licensing authority or their designee.

(3) Any commissioner may be removed or suspended from office as provided by the law of the state from which the commissioner is appointed.

(4) The member state shall fill any vacancy occurring in the commission within 90 days.

(5) Each commissioner shall be entitled to one (1) vote about the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission. A commissioner shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for commissioners' participation in meetings by telephone or other means of communication.

(6) The commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(7) The commission shall establish by rule a term of office for commissioners.

(c) The commission shall have the following powers and duties:

(1) Establish a code of ethics for the commission.

(2) Establish the fiscal year of the commission.

(3) Establish bylaws for the commission.

(4) Maintain its financial records in accordance with the bylaws of the commission.

(5) Meet and take such actions as are consistent with the provisions of this interstate compact, the bylaws, and rules of the commission.

(6) Promulgate uniform rules to implement and administer this interstate compact. The rules shall have the force and effect of law and shall be binding in all member states. In the event the commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of the compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force and effect of law.

(7) Bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any member state licensing authority to sue or be sued under applicable law shall not be affected.

(8) Purchase and maintain insurance and bonds.

(9) Borrow, accept, or contract for services of personnel, including, but not limited to, employees of a member state, or an associated non-governmental organization that is open to membership by all states.

(10) Hire employees, elect, or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters.

(11) Lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve, or use, any property, real, personal or mixed, provided that at all times the commission shall avoid any appearance of impropriety.

(12) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed.

(13) Establish a budget and make expenditures.

(14) Borrow money.

(15) Appoint committees, including standing committees composed of members and such other interested persons as may be designated in this interstate compact, rules, or bylaws.

(16) Provide and receive information from, and cooperate with, law enforcement agencies.

(17) Establish and elect an executive committee.

(18) Establish and develop a charter for an executive information governance committee to advise on facilitating exchange of information; use of information, data privacy, and technical support needs, and provide reports as needed.

(19) Perform such other functions as may be necessary or appropriate to achieve the purposes of this interstate compact consistent with the state regulation of teacher licensure.

(20) Determine whether a state's adopted language is materially different from the model compact language such that the state would not qualify for participation in the compact.

(d) The executive committee of the Interstate Teacher Mobility Compact Commission

(1) The executive committee shall have the power to act on behalf of the commission according to the terms of this interstate compact.

(2) The executive committee shall be composed of eight voting members:

(i) the commission chair, vice chair, and treasurer; and

(ii) five members who are elected by the commission from the current membership:

(A) four voting members representing geographic regions in accordance with commission rules; and

(B) one at large voting member in accordance with commission rules.

(3) The commission may add or remove members of the executive committee as provided in commission rules.

(4) The executive committee shall meet at least once annually.

(5) The executive committee shall have the following duties and responsibilities:

(i) Recommend to the entire commission changes to the rules or bylaws, changes to the compact legislation, fees paid by interstate compact member states such as annual dues, and any compact fee charged by the member states on behalf of the commission.

(ii) Ensure commission administration services are appropriately provided, contractual or otherwise.

(iii) Prepare and recommend the budget.

(iv) Maintain financial records on behalf of the commission.

(v) Monitor compliance of member states and provide reports to the commission.

(vi) Perform other duties as provided in rules or bylaws.

(e) Meetings of the commission

(1) All meetings shall be open to the public, and public notice of meetings shall be given in accordance with commission bylaws.

(2) The commission or the executive committee or other committees of the commission may convene in a closed, non-public meeting if the commission or executive committee or other committees of the commission must discuss:

(i) Non-compliance of a member state with its obligations under the compact.

(ii) The employment, compensation, discipline or other matters, practices or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures.

(iii) Current, threatened, or reasonably anticipated litigation.

(iv) Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate.

(v) Accusing any person of a crime or formally censuring any person.

(vi) Disclosure of trade secrets or commercial or financial information that is privileged or confidential.

(vii) Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy.

(viii) Disclosure of investigative records compiled for law enforcement purposes.

(ix) Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact.

(x) Matters specifically exempted from disclosure by federal or member state statute.

(xi) Others matters as set forth by commission bylaws and rules.

(3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(4) The commission shall keep minutes of commission meetings and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(f) Financing of the commission

(1) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(2) The commission may accept all appropriate donations and grants of money, equipment, supplies, materials, and services, and receive, utilize, and dispose of the same, provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest.

(3) The commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the commission, in accordance with the commission rules.

(4) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to accounting procedures established under commission bylaws. All receipts and disbursements of funds of the commission shall be reviewed annually in accordance with commission bylaws, and a report of the review shall be included in and become part of the annual report of the commission.

(g) Qualified immunity, defense, and indemnification

(1) The members, officers, executive director, employees and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The commission shall defend any member, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

ARTICLE VIII
RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this interstate compact and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment.

(b) The commission shall promulgate reasonable rules to achieve the intent and purpose of this interstate compact. In the event the commission exercises its rulemaking authority in a manner that is beyond purpose and intent of this interstate compact, or the powers granted hereunder, then such an action by the commission shall be invalid and have no force and effect of law in the member states.

(c) If a majority of the legislatures of the member states rejects a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four (4) years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state.

(d) Rules or amendments to the rules shall be adopted or ratified at a regular or special meeting of the commission in accordance with commission rules and bylaws.

(e) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with 48 hours' notice, with opportunity to comment, provided that the usual rulemaking procedures shall be retroactively applied to the rule as soon as reasonably possible, in

no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or member state funds;

(3) meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or

(4) protect public health and safety.

ARTICLE IX
FACILITATING INFORMATION EXCHANGE

(a) The commission shall provide for facilitating the exchange of information to administer and implement the provisions of this compact in accordance with the rules of the commission, consistent with generally accepted data protection principles.

(b) Nothing in this compact shall be deemed or construed to alter, limit, or inhibit the power of a member state to control and maintain ownership of its licensee information or alter, limit, or inhibit the laws or regulations governing licensee information in the member state.

ARTICLE X
OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight

(1) The executive and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact shall have standing as statutory law.

(2) Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct or any such similar matter.

(3) All courts and all administrative agencies shall take judicial notice of the compact, the rules of the commission, and any information provided to a member state pursuant thereto in any judicial or quasi-judicial proceeding in a member state pertaining to the subject matter of this compact, or which may affect the powers, responsibilities, or actions of the commission.

(4) The commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination

(1) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other member states of the nature of the default, the proposed means of curing the default or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default.

(2) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the commissioners of the member states, and all rights, privileges and benefits conferred on that state by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(3) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the state licensing authority and each of the member states.

(4) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(5) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(6) The defaulting state may appeal the action of the commission by petitioning the United States District Court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney's fees.

(c) Dispute resolution

(1) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and non-member states.

(2) The commission shall promulgate a rule providing for both binding and non-binding alternative dispute resolution for disputes as appropriate.

(d) Enforcement

(1) The commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

(2) By majority vote, the commission may initiate legal action in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices against a member state in default to enforce compliance with the provisions of the compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages.

In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney's fees. The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE XI
EFFECTUATION, WITHDRAWAL, AND AMENDMENT

(a) The compact shall come into effect on the date on which the compact statute is enacted into law in the tenth member state.

(1) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter member states to determine if the statute enacted by each such charter member state is materially different from the model compact statute.

(2) A charter member state whose enactment is found to be materially different from the model compact statute shall be entitled to the default process set forth in article X.

(3) Member states enacting the compact subsequent to the charter member states shall be subject to the process set forth in article VII.c.20 to determine if their enactments are materially different from the model compact statute and whether they qualify for participation in the compact.

(b) If any member state is later found to be in default, or is terminated or withdraws from the compact, the commission shall remain in existence and the compact shall remain in effect even if the number of member states should be less than ten.

(c) Any state that joins the compact after the commission's initial adoption of the rules and bylaws shall be subject to the rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state, as the rules and bylaws may be amended as provided in this compact.

(d) Any member state may withdraw from this compact by enacting a statute repealing the same.

(1) A member state's withdrawal shall not take effect until six (6) months after enactment of the repealing statute.

(2) Withdrawal shall not affect the continuing requirement of the withdrawing state's licensing authority to comply with the investigative and adverse action reporting requirements of this act prior to the effective date of withdrawal.

(e) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE XII
CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is

declared to be contrary to the constitution of any member state or a state seeking membership in the compact, or of the United States or the applicability thereof to any other government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE XIII
CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

(a) Nothing herein shall prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the compact.

(b) Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the compact are superseded to the extent of the conflict.

(c) All permissible agreements between the commission and the member states are binding in accordance with their terms.

ARTICLE 5

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2025 Supplement, section 124E.03, subdivision 2, is amended to read:

Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A charter school must comply with chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(d) A charter school is a district for the purposes of tort liability under chapter 466.

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for comprehensive achievement and civic readiness.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56 and 121A.575, 121A.60, 121A.61, and 121A.65.

(k) A charter school must comply with the limits on screen time under section 124D.166.

Sec. 2. Minnesota Statutes 2024, section 124E.05, subdivision 6, is amended to read:

Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner finds that an authorizer has not met the requirements of this chapter, the commissioner may subject the authorizer to a corrective action plan, which may last no longer than ~~130~~ 145 business days. The commissioner may prohibit an authorizer on a corrective action plan from accepting a transfer application from a charter school and an application to establish a charter school.

(b) The commissioner must notify the authorizer in writing that the authorizer has been placed on a corrective action plan. The notice must include ~~any~~ the commissioner's findings ~~that may subject the authorizer to corrective action at the conclusion of the corrective plan and~~ consistent with paragraph (a). The authorizer then has 15 business days to request an informal hearing ~~before the commissioner takes corrective action~~. The commissioner must hold an informal hearing within 15 business days of the request. The commissioner must make a determination on placing the authorizer on a corrective action plan within 15 business days of the informal hearing. If the ~~issues identified as the basis for the corrective action are not resolved at the informal hearing~~ authorizer is placed on a corrective action plan, the authorizer must make the requested improvements and notify the commissioner of the improvements within 45 business days. Within 20 business days, the commissioner must review the changes and notify the authorizer of any remaining issues to be resolved. An authorizer must address the remaining issues as directed by the commissioner within 20 business days. Within 15 business days, the commissioner must review the changes and notify the authorizer whether all issues in the corrective action plan have been resolved.

(c) If the commissioner terminates the authorizer's ability to charter a school, the commissioner must assist the affected charter school in acquiring a new authorizer. ~~A charter school board of directors may submit to the commissioner a request to transfer to a new authorizer without the approval or consent of the current authorizer if that authorizer has been under a corrective action plan for more than 130 business days.~~ The new authorizer and school must submit a change in authorizer request to the commissioner under section 124E.10, subdivision 5, without the agreement of the terminated authorizer.

(d) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school, terminating a contract with a charter school, and other appropriate sanctions for:

(1) failing to demonstrate the criteria under subdivision 3 under which the commissioner approved the authorizer;

(2) violating a term of the ~~chartering~~ charter contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer;

(4) any good cause shown that gives the commissioner a legally sufficient reason to take corrective action against an authorizer; or

(5) failing to meet the terms of a corrective action plan by the specified deadline.

Sec. 3. Minnesota Statutes 2024, section 124E.05, subdivision 8, is amended to read:

Subd. 8. **Reports.** By September 30 of each year, an authorizer shall publish on its website and submit to the commissioner ~~a~~: (i) an annual financial statement ~~of income and expenditures~~ identifying the authorizer's sources of income related to authorizing activities and the authorizer's related expenses, including staff, consultants, facility, professional development, transportation, membership dues, technology, office supplies, bank fees, administrative overhead, and professional fees for accounting, legal, and financial services; and (ii) a balance sheet statement summarizing assets and liabilities related to ~~chartering~~ authorizing activities ~~during~~ for the previous school year ending June 30. The authorizer must transmit a copy of the ~~statement~~ statements to all schools it charters.

Sec. 4. Minnesota Statutes 2024, section 124E.07, subdivision 1, is amended to read:

Subdivision 1. **Initial board of directors.** (a) Before entering into a contract or other agreement for professional or other services, goods, or facilities, the operators authorized to organize and operate a school must establish a board of directors composed of at least five members. The initial board members must not be related parties. The initial board continues to serve until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under subdivision 4. The initial board of directors and school developers must comply with the training requirements in subdivision 7 upon the incorporation of the school.

(b) The initial board must include:

(1) at least one licensed teacher;

(2) at least one prospective parent or legal guardian of a student who is not an employee of the charter school; and

(3) at least one interested community member.

(c) An individual serving on the initial board must reside in Minnesota.

Sec. 5. Minnesota Statutes 2025 Supplement, section 124E.07, subdivision 2, is amended to read:

Subd. 2. **Ongoing board of directors.** (a) The initial board must begin the transition to the ongoing board structure by the end of the first year of operation and complete the transition by the end of the second year of operation. The terms of board members shall begin on July 1. Terms shall be no less than two years. The bylaws shall set the number of terms an individual may serve on the board and as an officer of the board.

(b) A board member who is paid for serving on the charter school board must not receive more compensation for their role as a charter school board member than a school board member in the school district in which the charter school is located.

Sec. 6. Minnesota Statutes 2025 Supplement, section 124E.07, subdivision 3, is amended to read:

Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall have at least five members. The board members must not be related parties. The ongoing board must include: (1) at least one licensed teacher; (2) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (3) at least one interested community member. A community member serving on the board must reside in Minnesota, must not have a child enrolled in the school, and must not be an employee of the charter school.

(b) To serve as a licensed teacher on a charter school board, an individual must:

(1) be employed by the school or provide at least 720 hours of service under a contract between the charter school and a teacher cooperative;

(2) be a qualified teacher as defined under section 122A.16, either serving as a teacher of record in a field in which the individual has a field license, or providing services to students the individual is licensed to provide; and

(3) not serve in an administrative or supervisory capacity for more than 240 hours in a school calendar year.

~~(c) The board structure must be defined in the bylaws. The board structure may (1) be a majority of teachers under paragraph (b), (2) be a majority of parents, (3) be a majority of community members, or (4) have no clear majority.~~

~~(d)~~ (c) The chief administrator may only serve as an ex-officio nonvoting board member. No charter school employees shall serve on the board other than teachers under paragraph (b).

~~(e) A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors. In addition, an individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.~~

~~(f) A violation of paragraph (e) renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates paragraph (e) is individually liable to the charter school for any damage caused by the violation.~~

~~(g) Any employee, agent, contractor, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.~~

~~(h) An individual is prohibited from serving on more than one charter school board at the same time in either an elected or ex-officio capacity, except that an individual serving as an administrator serving more than one school under section 124E.12, subdivision 2, paragraph (f), may serve on each board as an ex-officio member. A board member who violates this paragraph is ineligible to continue to serve as a charter school board member and is ineligible to be elected or appointed to a charter school board for 24 months.~~

~~(i) A board member, who is paid for serving on the charter school board, must not receive more compensation for their role as a charter school board member than a school board member in the school district in which the charter school is located.~~

Sec. 7. Minnesota Statutes 2024, section 124E.07, is amended by adding a subdivision to read:

Subd. 3a. **Conflict of interest.** (a) A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors. In addition, an individual is prohibited from serving as a member of the charter school board of directors if:

(1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or

(2) an immediate family member is an employee of the school.

An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.

(b) A violation of paragraph (a) renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates paragraph (a) is individually liable to the charter school for any damage caused by the violation.

(c) Any employee, agent, contractor, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.

(d) An individual is prohibited from serving on more than one charter school board at the same time in either an elected or ex-officio capacity, except that an individual serving as an administrator serving more than one school under section 124E.12, subdivision 2, paragraph (f), may serve on each board as an ex-officio member. A board member who violates this paragraph is ineligible to continue to serve as a charter school board member and is ineligible to be elected or appointed to a charter school board for 24 months.

Sec. 8. Minnesota Statutes 2024, section 124E.07, subdivision 4, is amended to read:

Subd. 4. **Board structure.** (a) The board structure must be defined in the bylaws. The board structure may:

(1) be a majority of teachers under subdivision 3, paragraph (b);

(2) be a majority of parents;

(3) be a majority of community members; or

(4) have no clear majority.

(b) Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors;

(2) by a majority vote of the licensed teachers employed by the school as teachers who provide instruction to students, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(3) with the authorizer's approval.

(c) Any change in board governance structure must conform with the board composition established under this section.

Sec. 9. Minnesota Statutes 2024, section 124E.08, is amended to read:

124E.08 CHARTER SCHOOL AND SCHOOL DISTRICT COLLABORATION.

Subdivision 1. **Collaboration between a charter school and school district.** (a) A charter school board may voluntarily enter into a two-year, renewable collaboration agreement with a school district in which the charter school is geographically located to enhance the achievement of the students in the district and the students in the charter school.

(b) A school district does not need to be either an approved authorizer or the authorizer of the charter school to enter into a collaboration agreement under this section.

(c) A charter school authorizer is prohibited from requiring a collaboration agreement as a condition of entering into or renewing a charter contract as defined in section 124E.10, subdivision 1.

(d) Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.

(e) Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding or payment to the school district or the charter school.

Subd. 2. **Collaboration agreement provisions.** ~~(b)~~ (a) The collaboration agreement may include, but is not limited to, collaboration regarding facilities, transportation, training, student achievement, assessments, mutual performance standards, and other areas of mutual agreement.

~~(c)~~ (b) For purposes of student assessment and reporting to the state under section 120B.36, the school district may include the academic performance of the students of a collaborative charter school site under subdivision 1, paragraph (a).

Subd. 3. **Accountability measures.** Districts~~, authorizers,~~ or charter schools entering into a ~~collaborative~~ collaboration agreement are equally and collectively subject to the same state and federal accountability measures for student achievement, school performance outcomes, and school improvement strategies. The ~~collaborative~~ collaboration agreement and all accountability measures must be posted on the district, charter school, and authorizer websites.

~~(d) Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.~~

~~(e) Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding or payment to the school district or the charter school.~~

Sec. 10. Minnesota Statutes 2025 Supplement, section 124E.17, subdivision 1, is amended to read:

Subdivision 1. **Charter school information.** (a) Charter schools must disseminate information about the school's offerings and enrollment procedures to families that reflect the diversity of Minnesota's population and targeted groups. Targeted groups include low-income families and communities, students of color, students at risk of academic failure, and students underrepresented in the school's student body relative to Minnesota's population. The school must document its dissemination activities in the school's annual report. The school's dissemination activities must be a component of the authorizer's performance review of the school.

(b) Authorizers and the commissioner must disseminate information to the public on how to form and operate a charter school. Authorizers, operators, and the commissioner also may disseminate information to interested stakeholders about the successful best practices in teaching and learning demonstrated by charter schools.

(c) For each charter school it authorizes, within 15 business days of execution, an authorizer must publish on its website for at least five years from the date of issuance all charter contracts and amendments executed under section 124E.10; school performance reviews including the performance evaluations required by section 124E.10, subdivision 1, paragraph (a), clause (6), if different; notices of intent to terminate or not renew the charter contract and related final determinations; and unresolved notices of intervention, deficiency, concern, corrective action, or probationary status.

(d) Each charter school must post a link in a conspicuous place on the school's official website to the section of its authorizer's website where information listed in paragraph (c) specific to that school is published. A charter school must also, upon the request of the authorizer, distribute information from their authorizer about interventions, corrective actions, and probationary status by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school in languages parents and legal guardians of students enrolled in the charter school understand, consistent with the school's language access plan under section 124E.03, subdivision 9, paragraph (b).

Sec. 11. Minnesota Statutes 2025 Supplement, section 124E.17, subdivision 2, is amended to read:

Subd. 2. **Financial information.** ~~(a)~~ Upon request of an individual, the charter school must make available in a timely fashion financial statements showing all operations and transactions affecting the school's income, surplus, and deficit during the last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period.

~~(b) An authorizer must publish on its website an annual financial statement identifying its sources of income related to authorizing activities and its authorizing expenses including staff, consultants, facility, professional development, transportation, membership dues, technology, office supplies, bank fees, administrative overhead, and professional fees for accounting, legal, and financial services, consistent with section 124E.05, subdivision 8, and a balance sheet related to authorizing activities summarizing assets and liabilities.~~

Sec. 12. Minnesota Statutes 2025 Supplement, section 124E.27, is amended to read:

124E.27 CMO AND EMO PUBLIC ACCOUNTING AND REPORTING.

(a) A charter school that enters into a management agreement with a CMO or EMO must:

(1) publish on the charter school website for at least 20 business days the proposed final agreement for public review and comment before the school board may adopt the contract or agreement. Any changes made to the posted agreement during the public review period or any proposed amendments to the agreement once adopted must be posted for 20 business days before the board may adopt the amendments to the contract;

(2) annually publish on the charter school website a statement of assurance that no member of the school board, staff, or any agent of the school has been promised or received any form of compensation or gifts from the CMO or EMO and that no board member, employee, or agent of the CMO or EMO or any of the organization affiliates or providers serve on the charter school board; and

(3) conduct an independent review and evaluation of the services provided by the CMO or EMO and publish the evaluation on the school's website at least 30 business days before the end of the current contract.

(b) A management agreement with a CMO or EMO must contain the following:

(1) the term of the contract, not to exceed five years;

(2) the total dollar value of the contract including the annual projected costs of services;

(3) a description and terms of the services to be provided during the term of the contract;

(4) notice that a charter school closure during the term of the contract by action of the authorizer or the school's board results in the balance of the current contract becoming null and void;

(5) an annual statement of assurance to the charter school board that the CMO or EMO provided no compensation or gifts to any charter school board member, staff member, or agent of the charter school;

(6) an annual statement of assurance that no board member, employee, contractor, or agent of the CMO or EMO or any affiliated organization is a board member of the charter school or any other charter school;

(7) the policies and protocols that meet federal and state laws regarding student and personnel data collection, usage, access, retention, disclosure and destruction, and indemnification and warranty provisions in case of data breaches by the CMO or EMO; ~~and~~

(8) an annual assurance that all assets purchased on behalf of the charter school using public funds remain assets of the school~~.~~;

(9) an annual assurance that the charter school remains independent from the management organization;

(10) an annual assurance that the charter school selects and retains its own legal counsel and auditing firm;

(11) an outline of comprehensive policies and protocols, including detailed provisions on compensation and payment terms, clearly defined remedies for breach of contract, and an explicit delineation of responsibilities and rights in the event of organizational closure;

(12) a statement that provides the school board with the clear ability to terminate the agreement;

(13) a statement asserting that all assets purchased with school money or awards from school funds remain with the school;

(14) a provision that prohibits sweeps contracts where the management organization calculates fees for services based upon the school's total revenue; and

(15) a statement that fees charged for services by the management organization are reasonable, proportionate, and appropriate for the value delivered.

(c) The CMO or EMO must annually provide the charter school board a financial report by July 31 that accounts for income and expenditures for the previous fiscal year using the account categories in uniform financial accounting and reporting standards.

(d) Any agreement with a CMO or EMO containing any of the following provisions is null and void:

(1) restrictions on the charter school's ability to operate a school upon termination of the agreement;

(2) restrictions on the annual or total amount of the school's operating surplus or fund balance;

(3) authorization to allow a CMO or EMO to withdraw funds from a charter school account; or

(4) authorization to allow a CMO or EMO to loan funds to the charter school.

(e) A CMO or EMO or its affiliates, employees, or agents may not contract with, be employed by, or serve on the board of an authorizer. An authorizer or its affiliates, employees, or agents may

not contract with, be employed by, serve as a paid consultant for, or serve as a board member of a CMO or EMO.

Sec. 13. **REPEALER.**

Minnesota Statutes 2025 Supplement, section 124E.16, subdivision 4, is repealed.

ARTICLE 6

HEALTH AND SAFETY

Section 1. Minnesota Statutes 2024, section 121A.031, subdivision 2, is amended to read:

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

(b) "District" means a district under section 120A.05, subdivision 8.

(c) "Public school" or "school" means a public school under section 120A.05, subdivisions 9, 11, 13, and 17~~, and~~; a charter school under chapter 124E; an intermediate school district; and a Tribal contract school.

(d) "Student" means a student enrolled in a school under paragraph (c).

(e) "Bullying" means intimidating, threatening, abusive, or harming conduct that is objectively offensive and:

(1) there is an actual or perceived imbalance of power between the student engaging in prohibited conduct and the target of the behavior and the conduct is repeated or forms a pattern; or

(2) materially and substantially interferes with a student's educational opportunities or performance or ability to participate in school functions or activities or receive school benefits, services, or privileges.

(f) "Cyberbullying" means bullying using technology or other electronic communication, including but not limited to a transfer of a sign, signal, writing, image, sound, or data, including a post on a social network Internet website or forum, transmitted through a computer, cell phone, or other electronic device.

(g) Intimidating, threatening, abusive, or harming conduct may involve, but is not limited to, conduct that causes physical harm to a student or a student's property or causes a student to be in reasonable fear of harm to person or property; under Minnesota common law, violates a student's reasonable expectation of privacy, defames a student, or constitutes intentional infliction of emotional distress against a student; is directed at any student or students, including those based on a person's actual or perceived race, ethnicity, color, creed, religion, national origin, immigration status, sex, marital status, familial status, socioeconomic status, physical appearance, sexual orientation, including gender identity and expression, academic status related to student performance, disability, or status with regard to public assistance, age, or any additional characteristic defined in chapter 363A.

However, prohibited conduct need not be based on any particular characteristic defined in this paragraph or chapter 363A.

(h) "Prohibited conduct" means bullying or cyberbullying as defined under this subdivision or retaliation for asserting, alleging, reporting, or providing information about such conduct or knowingly making a false report about bullying.

~~(i) "Remedial response" means a measure to stop and correct prohibited conduct, prevent prohibited conduct from recurring, and protect, support, and intervene on behalf of the student who is the target of the prohibited conduct.~~

(i) "Actor" means a student who engages in bullying behavior.

(j) "Target" means a student who experiences bullying behavior.

(k) "Supportive interventions" include but are not limited to trauma-informed assessments, culturally responsive mental health services, restorative practices, counseling, and individualized educational or behavioral supports designed to address underlying causes of behavior.

Sec. 2. Minnesota Statutes 2024, section 121A.031, subdivision 3, is amended to read:

Subd. 3. **Local district and school policy.** (a) Districts and schools, in consultation with students, parents, and community organizations, to the extent practicable, shall adopt, implement, and, on a cycle consistent with other district policies, review, and revise where appropriate, a written policy to prevent and prohibit student bullying consistent with this section. The policy must conform with sections 121A.41 to 121A.56. A district or school must adopt and implement a local policy under subdivisions 3 to 5 or comply with the provisions of the state model policy in subdivision 6.

(b) Each local district and school policy must establish research-based, developmentally appropriate best practices that include preventive and remedial measures and effective discipline for deterring policy violations; apply throughout the school or district; and foster active student, parent, and community participation. The policy shall:

(1) define the roles and responsibilities of students, school personnel, and volunteers under the policy;

(2) specifically list the characteristics contained in subdivision 2, paragraph (g);

(3) emphasize ~~remedial responses~~ comprehensive, supportive interventions;

(4) be conspicuously posted in the administrative offices of the school and school district in summary form;

(5) be given to each school employee and independent contractor, if a contractor regularly interacts with students, at the time of employment with the district or school;

(6) be included in the student handbook on school policies; and

(7) be available to all parents and other school community members in an electronic format in the languages appearing on the district or school website, consistent with the district policies and practices.

(c) Consistent with its applicable policies and practices, each district and school under this subdivision must discuss its policy with students, school personnel, and volunteers and provide appropriate training for all school personnel to prevent, identify, and respond to prohibited conduct. Districts and schools must establish a training cycle, not to exceed a period of three school years, for school personnel under this paragraph. Newly employed school personnel must receive the training within the first year of their employment with the district or school. A district or school administrator may accelerate the training cycle or provide additional training based on a particular need or circumstance.

(d) Each district and school under this subdivision must submit an electronic copy of its prohibited conduct policy to the commissioner.

Sec. 3. Minnesota Statutes 2025 Supplement, section 121A.031, subdivision 4, is amended to read:

Subd. 4. **Local policy components.** (a) Each district and school policy implemented under this section must, at a minimum:

(1) designate a staff member as the primary contact person in the school building to receive reports of prohibited conduct under clause (3), ensure the policy and its procedures including restorative practices, consequences, and sanctions are fairly and fully implemented, and serve as the primary contact on policy and procedural matters implicating both the district or school and the department;

(2) require school employees who witness prohibited conduct or possess reliable information that would lead a reasonable person to suspect that a student is a target of prohibited conduct to make reasonable efforts to address and resolve the prohibited conduct;

(3) provide a procedure to begin to investigate reports of prohibited conduct within three school days of the report, and make the primary contact person responsible for the investigation and any resulting record and for keeping and regulating access to any record;

(4) indicate how a school will respond to an identified incident of prohibited conduct, including immediately intervening to protect the target of the prohibited conduct; at the school administrator's discretion and consistent with state and federal data practices law governing access to data, including section 13.02, subdivision 8, a presumption that a district or school official will notify the parent of the reported target of the prohibited conduct and the parent of the actor engaged in the prohibited conduct; providing other ~~remedial responses to the prohibited conduct~~ comprehensive, supportive interventions; and ensuring that ~~remedial responses~~ interventions are tailored to the particular incident and nature of the conduct and the student's developmental age and behavioral history. For purposes of the notification presumed under this clause, a parent or legal guardian may designate in writing to the school another individual to be notified of the prohibited conduct;

(5) prohibit reprisals or retaliation against any person who asserts, alleges, or reports prohibited conduct or provides information about such conduct and establish appropriate consequences for a person who engages in reprisal or retaliation;

(6) allow anonymous reporting but do not rely solely on an anonymous report to determine discipline;

(7) provide information about available community resources to the target, actor, and other affected individuals, as appropriate;

(8) where appropriate for a child with a disability to prevent or respond to prohibited conduct, allow the child's individualized education program or section 504 plan to address the skills and proficiencies the child needs to respond to or not engage in prohibited conduct;

(9) use new employee training materials, the school publication on school rules, procedures, and standards of conduct, and the student handbook on school policies to publicize the policy;

(10) require ongoing professional development, consistent with section 122A.60, to build the skills of all school personnel who regularly interact with students, including but not limited to educators, administrators, school counselors, social workers, psychologists, other school mental health professionals, school nurses, cafeteria workers, custodians, bus drivers, athletic coaches, extracurricular activities advisors, and paraprofessionals to identify, prevent, and appropriately address prohibited conduct;

(11) allow the alleged actor in an investigation of prohibited conduct to present a defense; and

(12) inform affected students and their parents of their rights under state and federal data practices laws to obtain access to data related to the incident and their right to contest the accuracy or completeness of the data.

(b) Professional development under a local policy includes, but is not limited to, information about:

(1) developmentally appropriate strategies both to prevent and to immediately and effectively intervene to stop prohibited conduct;

(2) the complex dynamics affecting an actor, target, and witnesses to prohibited conduct;

(3) research on prohibited conduct, including specific categories of students at risk for prohibited conduct in school;

(4) the incidence and nature of cyberbullying; and

(5) Internet safety and cyberbullying.

Sec. 4. Minnesota Statutes 2024, section 121A.031, is amended by adding a subdivision to read:

Subd. 4a. **Policy alignment.** Before the start of the 2027-2028 school year, a district or school must review and, when necessary, revise its bullying prevention policy to align with the requirements in subdivision 5a. As part of the review and revision, a district or school must remove policy

references to "remedial responses" and replace the term with language reflecting comprehensive, supportive interventions.

Sec. 5. Minnesota Statutes 2024, section 121A.031, subdivision 5, is amended to read:

Subd. 5. **Safe and supportive schools programming.** (a) Districts and schools are encouraged to provide developmentally appropriate programmatic instruction to help students identify, prevent, and reduce prohibited conduct; value diversity in school and society; develop and improve students' knowledge and skills for solving problems, managing conflict, engaging in civil discourse, and recognizing, responding to, and reporting prohibited conduct; and make effective prevention and intervention programs available to students. Districts and schools must establish strategies for creating a positive school climate and use evidence-based social-emotional learning to prevent and reduce discrimination and other improper conduct.

(b) Districts and schools are encouraged to:

(1) engage all students in creating a safe and supportive school environment;

(2) partner with parents and other community members to develop and implement prevention and intervention programs;

(3) engage all students and adults in integrating education~~,~~ and comprehensive, supportive intervention~~, and other remedial responses~~ into the school environment;

(4) train student bystanders to intervene in and report incidents of prohibited conduct to the school's primary contact person;

(5) teach students to advocate for themselves and others;

(6) prevent inappropriate referrals to special education of students who may engage in prohibited conduct; and

(7) foster student collaborations that foster a safe and supportive school climate.

Sec. 6. Minnesota Statutes 2024, section 121A.031, is amended by adding a subdivision to read:

Subd. 5a. **Supportive interventions required.** (a) A district or school must provide supportive interventions for both the target and the actor involved in a bullying incident.

(b) Supportive interventions for the actor may include:

(1) an assessment of potential underlying causes of behavior, including trauma, unmet mental health needs, or experiences of exclusion;

(2) access to appropriate mental health services and counseling;

(3) educational supports and skill-building interventions focused on empathy, conflict resolution, and healthy relationships; and

(4) engagement of the student's parent or guardian, when appropriate, in the development and implementation of the support plan.

(c) Supportive interventions for the target must include access to counseling, mental health services, and other resources designed to restore safety and well-being.

(d) A district or school must ensure that supportive interventions are implemented equitably and do not disproportionately exclude or punish students based on race, ethnicity, national origin, gender identity, sexual orientation, disability status, or other protected characteristics.

Sec. 7. Minnesota Statutes 2024, section 121A.035, subdivision 2, is amended to read:

Subd. 2. **School district and charter school policy.** (a) A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill. The policy must address the unique needs of students with disabilities including students with mobility restrictions, sensory needs, developmental or physical disabilities, mental health needs, and auditory or visual limitations. If the student's disability affects the student's safety in a crisis situation, a plan for the student's safety must be included in the student's individualized education program or 504 plan.

(b) A school board or a charter school may adopt the model cardiac emergency response plan provided by the commissioner under subdivision 1.

Sec. 8. Minnesota Statutes 2025 Supplement, section 121A.224, subdivision 2, is amended to read:

Subd. 2. **High school students.** A school district or charter school ~~may~~ must allow a student in grades 9 through 12 to possess and administer an opiate antagonist to another high school student. The protections of section 604A.04 apply to the possession and administration of opiate antagonists according to this section.

Sec. 9. Minnesota Statutes 2025 Supplement, section 121A.241, is amended by adding a subdivision to read:

Subd. 3. **CPR and AED training.** (a) Beginning in the 2027-2028 school year, all high school and middle school athletic coaches and assistant coaches employed by a school district or charter school must obtain and maintain current training in cardiopulmonary resuscitation (CPR) and the use of an automated external defibrillator (AED). After obtaining initial training, coaches and assistant coaches must receive training at least once every two calendar years thereafter on an ongoing basis. Training must be consistent with national, evidence-based, emergency cardiovascular care guidelines.

(b) An individual described in this section who performs CPR or uses an AED in the course of that individual's employment as an athletic coach is not liable in a civil action for damages resulting

from an act or omission occurring in that performance, except for an act or omission constituting gross negligence or willful or wanton misconduct.

Sec. 10. Minnesota Statutes 2024, section 121A.425, subdivision 1, is amended to read:

Subdivision 1. **Disciplinary dismissals prohibited.** (a) A pupil enrolled in ~~the following is not subject to dismissals under this chapter:~~

~~(1)~~ a preschool or prekindergarten program, including an early childhood family education, school readiness, school readiness plus, voluntary prekindergarten, Head Start, or other school-based preschool or prekindergarten program~~; or~~ is not subject to dismissals under this chapter.

~~(2) kindergarten through grade 3.~~

(b) This ~~provision~~ subdivision does not apply to a dismissal from school for less than one school day, except as provided under chapter 125A and federal law for a student receiving special education services.

(c) A pupil enrolled in kindergarten through grade 3 may only be dismissed for a period of up to one partial day and one full day of school immediately following an incident where the pupil's actions inflicted or were reasonably likely to inflict upon themselves or another person at the school:

(1) bodily harm causing a significant physical injury or physical trauma or with the potential to cause significant physical injury or physical trauma;

(2) substantial bodily harm; or

(3) great bodily harm.

(d) "Bodily harm," "substantial bodily harm," and "great bodily harm" have the meanings given them in section 609.02, subdivisions 7, 7a, and 8.

(e) A pupil in kindergarten through grade 3 must not be dismissed for conduct:

(1) that was not likely to inflict bodily harm, substantial bodily harm, or great bodily harm upon themselves or another person at school;

(2) characterized as disruptive or disorderly;

(3) causing damage to property, but not to themselves or another person; or

(4) that was verbal and not likely to result in bodily harm, substantial bodily harm, or great bodily harm to others.

(f) If a pupil is dismissed under this subdivision, the school must communicate with the pupil's parent or guardian regarding the incident. After a second dismissal and within five school days of the incident causing the second dismissal, the school must convene a meeting of the pupil's primary instructor, school counseling staff, their parent or guardian, and, if applicable, individualized education program team members to identify and discuss the following:

(1) factors that may have contributed to the incident, including but not limited to student skill deficits, staff skill deficits, sensory or environmental factors, emotional or physical trauma, and other external factors; and

(2) a plan to address missing student or staff skills or, where applicable, necessary mental health supports.

(g) The pupil's return to school must not be dependent upon convening the meeting according to paragraph (f).

(h) A school administrator must use the dismissal time to prepare for the pupil's reentry to school. The dismissal must be reported consistent with section 121A.53.

~~(e)~~ (i) Notwithstanding this subdivision, expulsions and exclusions may be used only after resources outlined in subdivision 2 have been exhausted, and only in circumstances where there is an ongoing serious safety threat to the child or others.

EFFECTIVE DATE. This section is effective for the 2026-2027 school year and later.

Sec. 11. Minnesota Statutes 2024, section 121A.49, is amended to read:

121A.49 APPEAL.

A party to an exclusion or expulsion decision made under sections 121A.40 to 121A.56 may appeal the decision to the commissioner of education within 21 calendar days of school board action. Upon being served with a notice of appeal, the district shall provide the commissioner and the parent or guardian with a complete copy of the hearing record, including a written transcript of the expulsion hearing, within five days of its receipt of the notice of appeal. All written submissions by the appellant must be submitted and served on the respondent within ten days of its actual receipt of the hearing record, including the written transcript. All written submissions by the respondent must be submitted and served on the appellant within ten days of its actual receipt of the written submissions of the appellant. The decision of the school board must be implemented during the appeal to the commissioner.

In an appeal under this section, the commissioner may affirm the decision of the agency, may remand the decision for additional findings, or may reverse or modify the decision if the substantial rights of the petitioners have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

(1) in violation of constitutional provisions;

(2) in excess of the statutory authority or jurisdiction of the school district;

(3) made upon unlawful procedure, except as provided in section 121A.48;

(4) affected by other error of law;

(5) unsupported by substantial evidence in view of the entire record submitted; or

(6) arbitrary or capricious.

The commissioner or the commissioner's representative shall make a final decision based upon the record. The commissioner shall issue a decision within 30 calendar days of receiving the entire record and the parties' written submission on appeal. The commissioner's decision shall be final and binding upon the parties after the time for appeal expires under section 121A.50.

Sec. 12. Minnesota Statutes 2024, section 121A.73, is amended to read:

121A.73 SCHOOL CELL PHONE POLICY.

(a) A school district or charter school must adopt a policy on students' possession and use of cell phones in school by March 15, 2025. The Minnesota Elementary School Principals' Association and the Minnesota Association of Secondary School Principals must collaborate to make best practices available to schools on a range of different strategies in order to minimize the impact of cell phones on student behavior, mental health, and academic attainment.

(b) Beginning in the 2027-2028 school year, a school district or charter school cell phone policy must prohibit cell phones, smart glasses, and smart watches in school for students in kindergarten through grade 8 and prohibit cell phones, smart glasses, and smart watches in classrooms for students in grades 9 through 12. The policy must provide exceptions for devices necessary for medical use, exceptions for devices included in an individualized education program for a student with a disability, or other exceptions at the discretion of the school principal. A school district or charter school with a school building that includes a combination of elementary, middle, or secondary students must adopt a policy under this section that prohibits cell phones, smart glasses, and smart watches in school or in classrooms. A student in kindergarten through grade 8 in a building where cell phones, smart glasses, and smart watches are prohibited may bring their device into the building according to a locally adopted policy, but the student must not use the device during the school day.

(c) This section does not apply to students receiving full-time online instruction away from a school district or charter school.

ARTICLE 7

LIBRARIES AND SCHOOL BOARDS

Section 1. Minnesota Statutes 2024, section 123B.09, subdivision 1, is amended to read:

Subdivision 1. **School board membership.** (a) The care, management, and control of independent districts is vested in a board of directors, to be known as the school board. The term of office of a member shall be four years commencing on the first Monday in January and until a successor qualifies. The membership of the board shall consist of six elected directors together with such ex officio member as may be provided by law.

~~The~~ (b) Those districts with a six-member board may submit to the electors at any school election the question whether the board shall consist of seven members. If a majority of those voting on the proposition favor a seven-member board, a seventh member shall be elected at the next election of directors for a four-year term and thereafter the board shall consist of seven members.

(c) Those districts with a seven-member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the

board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a seven-member board, three members instead of four members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

(d) Those districts with a six-member board and in which 1,000 or fewer students are enrolled on October 1 of the preceding calendar year may submit to the electors at any school election the question whether the board shall consist of five members. If a majority of those voting on the proposition favor a five-member board, only two members shall be elected at the next election of the board of directors for a four-year term and thereafter the board shall consist of five members.

(e) Those districts with a five-member board may submit to the electors at any school election at least 150 days before the next election of two members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a five-member board, three members instead of two members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 2. Minnesota Statutes 2025 Supplement, section 123B.09, subdivision 1b, is amended to read:

Subd. 1b. **Student representation.** The school board ~~is encouraged to~~ must adopt a process to include student representation to advise the school board.

EFFECTIVE DATE. This section is effective for the 2026-2027 school year and later.

Sec. 3. Minnesota Statutes 2024, section 134.351, subdivision 2, is amended to read:

Subd. 2. **Services.** Each multicounty, multitype library system ~~is encouraged to~~ may develop services including, but not limited to the following: ~~referral of users~~ resource sharing and consulting, intrasystem reciprocal borrowing, cooperative collection development, ~~cooperative~~ facilitation of reference services, staff development, research and development, ~~cooperative storage facilities~~ maintenance of collections focused on member library interest, publicity and community relations.

Sec. 4. Minnesota Statutes 2024, section 134.351, subdivision 4, is amended to read:

Subd. 4. **Governance.** (a) In any area where the boundaries of a proposed multicounty, multitype library system coincide with the boundaries of the regional library system or district, the regional library system or district board ~~shall~~ must be designated as the governing board for the multicounty, multitype library system. In any area where a proposed multicounty, multitype library system encompasses more than one regional library system or district, the governing board of the multicounty, multitype library system ~~shall~~ must consist of nine members appointed by the cooperating regional library system or district boards from their own membership in proportion to the population served by each cooperating regional library system or district. In each multicounty, multitype library system there ~~shall~~ may be established an advisory committee consisting of two representatives of public libraries, two representatives of school media services, one representative of special libraries, one representative of public supported academic libraries, and one representative of private academic libraries. The advisory committee ~~shall recommend needed policy~~ may make recommendations on services and programs to the system governing board.

(b) Upon recommendation from its advisory committee, a multitype library cooperation system governing board may choose to reconstitute the governance of the multitype system by the creation of a combined board which replaces the previous governing board and advisory committee. A combined board ~~shall~~ must consist of five or seven citizens, not employed in library or information services, and four library or information service workers. The constituent regional public library system boards ~~shall~~ must select the citizen members from the at-large population of the region. In any area where a multicounty, multitype library system encompasses more than one regional public library system, cooperating regional system boards ~~shall~~ must appoint citizen members of the combined board members in proportion to the population of each cooperating regional system. The combined board members who are library and information workers ~~shall~~ must be selected, one from each type of library: academic, public, school, and special. Governing board members of the combined board ~~shall~~ serve two-year terms for no more than three successive terms with the members of the first combined board serving one- and two-year terms as determined by lot with a simple majority serving for two years. Elections ~~shall~~ must be pursuant to the adopted bylaws of the multitype system and may provide additional requirements to those in this section. New combined governing boards ~~shall~~ must take effect at the beginning of the fiscal year, July 1, and ~~shall~~ continue the authority, ownership, and obligations of the previously constituted multitype system in its region.

(c) In a multitype library cooperation system that has been incorporated into or otherwise joined with a regional public library system there must be a combined governing board that includes voting representatives from all types of libraries. The combined board members, who are library and information workers, must be nominated by their peers. Public libraries must nominate and vote for a public library representative. School libraries must nominate and vote for a school library representative. Academic libraries must nominate and vote for an academic library representative. Special libraries must nominate and vote for a special library representative. This election must take place during a regular meeting of the governing board, called in accordance with the provisions of its bylaws, or by electronic communication or by using email or an online survey or voting tool. A board member is not eligible to serve more than three consecutive three-year terms.

(d) In an area where the boundaries of a multicounty, multitype library system coincides with the boundaries of the regional library system, upon recommendation of its advisory committee, governing board, and the board of the regional public library system involved in governance under paragraph (a) or (b), the library system may choose to reconstitute the governance of the multicounty, multitype library system to be an independent board by severing the appointment responsibility of regional public library system boards.

(e) A multitype cooperation system board formed according to paragraph (d), consists of five or seven citizens, not employed in library or information services, and four library or information service workers. The board must be self-sustaining by allowing the board to solicit members and voting to accept the members. The multitype cooperation system board must establish bylaws that define a method of selection of citizens and information workers, one from each type of library, academic, public, school, and special libraries, as members of the governing board. During the last quarter of each fiscal year of the system, the governing board members must elect members to replace those whose terms expire at the end of the fiscal year. This election must take place during a regular meeting of the governing board, called in accordance with the provisions of its bylaws, or by electronic communication or by using email or an online survey or voting tool. New board members must be elected by a majority of board members present at such a meeting, provided there is a quorum present. Board members elected must serve a term beginning on the first day of the

next fiscal year. All board members serve two-year terms and are eligible for reelection for up to three consecutive terms.

Sec. 5. **[134.52] ELECTRONIC BOOK AND DIGITAL AUDIOBOOK LICENSES.**

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

(b) "Aggregator" means any person in the business of licensing access to electronic literary material collections that include electronic literary material from multiple publishers.

(c) "Borrower" means any person or organization, including another library, to whom a library loans a copy of electronic literary material.

(d) "Digital audiobook" means a sound recording of a reading of any literary production that has been converted into or published in a digital audio file that may be listened to on a computer or portable electronic device.

(e) "Electronic book" means a text document that has been converted into or published in a digital format that may be read on a computer or portable electronic device.

(f) "Electronic literary material" means any digital audiobook or electronic book.

(g) "Library" means:

(1) a library that provides free access to all residents of a city or county, receives at least half of its financial support from public funds, and is organized under the provisions of this chapter, except that a library under this clause does not include libraries that are law, medical, or other specific libraries organized to serve a special group of persons and not the general public;

(2) a library jointly operated by a city and a school district under section 134.195;

(3) a school district or charter school library or media center under section 124D.991, including libraries operated by an intermediate school district or cooperative unit under section 123A.24, subdivision 2; or

(4) the Minitex library network.

(h) "Loan" means the creation and transmission by a library to a borrower of a copy of any electronic literary material and the deletion of such copy by the library upon the expiration of the loan period.

(i) "Loan period" means the period of time commencing with the creation and transmission by a library to a borrower of a copy of any electronic literary material and concluding with the deletion of the copy by the library, as determined by the library.

(j) "Portable electronic device" means any self-contained electronic device for personal use for communicating, reading, viewing, listening, playing video games, or computing, including but not limited to a mobile telephone, tablet computer, electronic book reader, or other similar device.

(k) "Technological protection measure" means any technology that enhances the security of loaning or circulating electronic literary materials by a library.

Subd. 2. **Applicability.** (a) The provisions of this section shall apply to any contract or license agreement entered into or renewed by a library in the state with a vendor for the license of any electronic literary material on and after 60 days following the date the secretary of state, as certified by the state librarian, determines that a substantially similar law to the provisions of this section has been enacted in one or more states, not including this state, and the aggregate population of such state or states equals at least 7,000,000, as enumerated in the most recent United States decennial census. Each quarter, starting July 1, the state librarian must certify to the secretary of state the number of states that have enacted any such substantially similar laws until the number certified reaches the aggregate population requirement.

(b) No later than 30 days after the date the secretary of state, in consultation with the state librarian, makes the determination in accordance with paragraph (a), the state librarian must electronically notify the commissioner of education and all libraries operated by a state agency of the determination and the date the requirements of this section become effective. The secretary of state and commissioner of education must ensure that the determination and effective date are posted on the websites of the Office of the Secretary of State and the Department of Education. The secretary of state must electronically notify the Office of the Revisor of Statutes of the determination and effective date. The secretary of state must electronically notify all counties, cities, and towns of this state and the commissioner of education shall electronically notify all public schools, of the determination and effective date.

Subd. 3. **Contract requirements.** On and after 60 days following the date of determination by the secretary of state, in consultation with the state librarian, under subdivision 2, paragraph (a), no library in the state may enter into or renew any contract or license agreement with a vendor that precludes, limits, or restricts the library from performing customary operational or lending functions, including any provision that:

(1) prohibits the library from loaning any electronic literary material, including through any interlibrary loan system;

(2) restricts the number of times the library may loan any electronic literary material over the course of the contract or license agreement if such contract or agreement also restricts the library's loan period for electronic literary material;

(3) limits the number of electronic literary material licenses the library may purchase on the same date such electronic literary material is made available for purchase by the public;

(4) prohibits the library from making nonpublic preservation copies of any electronic literary material;

(5) restricts the library from disclosing the terms of the contract or license agreement to any other library in the state;

(6) restricts the duration of the contract or license agreement for electronic literary material unless the library also has the option of a contract or license agreement on commercially reasonable terms in consideration of the library's mission, that either:

(i) is based on a pay-per-use model; or

(ii) provides for the perpetual public use of the electronic literary material;

(7) requires the library to violate the provisions of section 13.40;

(8) provides that the contract or license agreement is not severable from any provision within the contract or agreement that is found in a judicial forum to be prohibited by this subdivision; or

(9) allows the enforcement of any of the provisions prohibited by this subdivision other than in a judicial forum.

ARTICLE 8

STATE AGENCIES

Section 1. Minnesota Statutes 2024, section 127A.353, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

(1) act in a fiduciary capacity for trust beneficiaries in accordance with the principles under section 127A.351;

(2) evaluate the school trust land asset position;

(3) determine the estimated current and potential market value of school trust lands;

(4) advise and provide recommendations to the governor on school trust land management policies and other policies that may affect the goal of the permanent school fund under section 127A.31;

(5) advise and provide recommendations to the Executive Council and Land Exchange Board on all matters regarding school trust lands presented to either body;

(6) advise and provide recommendations to the commissioner of natural resources on managing school trust lands, including but not limited to advice and recommendations on:

(i) Department of Natural Resources school trust land management plans;

(ii) leases of school trust lands;

(iii) royalty agreements on school trust lands;

(iv) land sales and exchanges;

(v) cost certification; and

(vi) ~~revenue-generating~~ revenue-generating options;

(7) serve as temporary trustee of school trust lands for school trust lands subject to proposed or active eminent domain proceedings;

(8) serve as temporary trustee of school trust lands pursuant to section 94.342, subdivision 5;

~~(9) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director that includes proposed legislative changes that will improve the asset allocation of the school trust lands;~~

~~(10)~~ (9) develop and implement a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years, with goals to:

(i) retain core real estate assets;

(ii) increase the value of the real estate assets and the cash flow from those assets;

(iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;

(iv) establish priorities for management actions;

(v) balance revenue enhancement and resource stewardship; and

(vi) advance strategies on school trust lands to capitalize on ecosystem services markets; and

~~(11) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting~~ (10) report to the Legislative Permanent School Fund Commission ~~in a public meeting at least once during each calendar quarter~~ as required under subdivision 5.

(b) In carrying out the duties under paragraph (a), the school trust lands director may:

(1) direct and control money appropriated to the director;

(2) establish job descriptions and employ staff within the limitations of money appropriated to the director;

(3) enter into interdepartmental agreements with any other state agency;

(4) enter into joint powers agreements under chapter 471;

(5) evaluate and initiate real estate development projects on school trust lands in conjunction with the commissioner of natural resources and with the advice of the Legislative Permanent School Fund Commission to generate long-term economic return to the permanent school fund; and

(6) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 127A.353, is amended by adding a subdivision to read:

Subd. 5. **Report.** (a) By January 15 each year, the school trust lands director must submit a written report to the Legislative Permanent School Fund Commission. The report must inform trust

beneficiaries, the governor, the legislature, and the public about school trust land management activities, and must include information on:

(1) the director's efforts to develop and advocate for sustainable asset management strategies that reflect undivided loyalty to the trust beneficiaries;

(2) school trust land management policies and activities, including new or emerging revenue-generating opportunities;

(3) the financial position of school trust land assets, including management costs for the preceding fiscal year and the revenues deposited in the permanent school fund;

(4) recommended statutory changes that would improve asset allocation, enhance financial outcomes, or otherwise strengthen the long-term performance of school trust lands; and

(5) amounts distributed from the permanent school fund to public school districts and charter schools in the preceding fiscal year.

(b) The commissioner of natural resources and the commissioner of education must provide the director with the data necessary to complete the report.

(c) The report must be submitted in accordance with section 3.195.

EFFECTIVE DATE. This section is effective July 1, 2026."

Delete the title and insert:

"A bill for an act relating to education; modifying provisions for prekindergarten through grade 12 education including general education, education excellence, the Read Act, teachers, charter schools, health and safety, libraries, school boards, and state agencies; requiring a report; amending Minnesota Statutes 2024, sections 120A.05, subdivision 10a; 120B.021, subdivision 2; 120B.022, subdivision 1b; 120B.11, subdivision 1; 120B.119, subdivision 7, by adding a subdivision; 120B.123, by adding a subdivision; 120B.124, by adding a subdivision; 120B.363, subdivisions 1, 2; 121A.031, subdivisions 2, 3, 5, by adding subdivisions; 121A.035, subdivision 2; 121A.425, subdivision 1; 121A.49; 121A.73; 122A.09, subdivision 9; 122A.092, by adding a subdivision; 122A.16; 122A.182, subdivisions 1, 5; 122A.187, subdivision 6; 123B.045; 123B.09, subdivision 1; 124D.119, by adding a subdivision; 124E.05, subdivisions 6, 8; 124E.07, subdivisions 1, 4, by adding a subdivision; 124E.08; 127A.353, subdivision 4, by adding a subdivision; 134.351, subdivisions 2, 4; Minnesota Statutes 2025 Supplement, sections 120B.12, subdivisions 1, 2, 2a, 4, 4a; 120B.123, subdivisions 1, 5; 120B.124, subdivision 5; 121A.031, subdivision 4; 121A.224, subdivision 2; 121A.241, by adding a subdivision; 121A.642, subdivision 4; 122A.18, subdivision 1; 122A.181, subdivision 3; 122A.182, subdivision 3; 123B.09, subdivision 1b; 124D.09, subdivisions 5, 7; 124D.111, subdivision 2a; 124E.03, subdivision 2; 124E.07, subdivisions 2, 3; 124E.17, subdivisions 1, 2; 124E.27; proposing coding for new law in Minnesota Statutes, chapters 120A; 120B; 122A; 127A; 134; repealing Minnesota Statutes 2025 Supplement, sections 120B.124, subdivision 6; 124E.16, subdivision 4."

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. 3824: A bill for an act relating to transportation; enacting various transportation-related policies; establishing bridge inspection standards; modifying active transportation education funding; modifying mandated reporting expiration dates; removing scenic byway designations; establishing truck parking improvement program; amending Minnesota Statutes 2024, sections 165.01, subdivision 3, by adding subdivisions; 165.03; 174.07, subdivision 1; 174.38, subdivision 6; Minnesota Statutes 2025 Supplement, section 174.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 165; 174; repealing Minnesota Statutes 2024, section 161.14, subdivisions 6, 15, 17, 50.

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 2971: A bill for an act relating to transportation; requiring commissioner of transportation to study, develop, and implement suicide prevention methods for construction of new bridges; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Delete everything after the enacting clause and insert:

"Section 1. **[165.16] SUICIDE PREVENTION.**

Subdivision 1. **Data collection.** The commissioner of transportation, in collaboration with the commissioner of health, must identify bridges in Minnesota with a history of suicide-related deaths. The commissioner of transportation must:

(1) annually request and receive data from the commissioner of health regarding known suicide deaths from bridges in the state of Minnesota as obtained from the state's vital statistics records; and

(2) maintain a record of the data to support the identification of bridges for which suicide reduction measures may be appropriate.

Subd. 2. **Best practices.** The commissioner of transportation, in collaboration with the commissioner of health, must develop a methodology for determining when and where suicide reduction measures should be incorporated into bridge projects. The commissioner must:

(1) develop best practices for determining when suicide reduction measures should be considered on a project;

(2) identify potential suicide reduction measures and develop best practices for their appropriate and feasible use; and

(3) develop suicide reduction railing design criteria.

Subd. 3. **Railing implementation.** Suicide reduction railings must be implemented when determined appropriate and feasible using the methodology developed under subdivision 2. This

requirement applies to bridge projects undertaken by the commissioner of transportation and by local road authorities when the project scope includes railing replacement, alteration, or addition, consistent with the design criteria developed under subdivision 2, clause (3).

Subd. 4. **Short title.** This section is the "Kayla's HOPE Act."

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

Delete the title and insert:

"A bill for an act relating to transportation; requiring data collection on bridge-related suicides; requiring development of best practices for suicide prevention on bridges; requiring implementation of suicide reduction railings on bridge projects identified as appropriate and feasible; proposing coding for new law in Minnesota Statutes, chapter 165."

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

Senator Dibble from the Committee on Transportation, to which was re-referred

S.F. No. 1373: A bill for an act relating to public safety; expanding driver's license suspensions to include all cases where a person is believed to have committed criminal vehicular homicide or criminal vehicular operation; requiring peace officers to report all cases where a person is believed to have committed criminal vehicular homicide or criminal vehicular operation; amending Minnesota Statutes 2024, sections 171.187, subdivisions 1, 3; 629.344.

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

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2025 Supplement, section 171.187, subdivision 3, is amended to read:

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section 171.178, subdivision 6, or for violations of section:

(1) 609.20;

(2) 609.205;

(3) 609.2112, subdivision 1, paragraph (a)~~, clause (1), (7), or (8)~~;

(4) 609.2113, subdivision 1~~, clause (1), (7), or (8); subdivision 2, clause (1), (7), or (8); or subdivision 3, clause (1), (7), or (8)~~; or

(5) 609.2114, subdivision 1~~, paragraph (a), clause (1), (7), or (8), or subdivision 2, clause (1), (7), or (8)~~."

Amend the title numbers accordingly

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. 4273: A bill for an act relating to public safety; modifying requirements for State Patrol compensation study; amending Minnesota Statutes 2024, section 299D.03, subdivisions 2, 2a; Laws 2024, chapter 104, article 1, section 2.

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 3987: A bill for an act relating to motor vehicles; increasing deadline to file vehicle title transfers to 20 days; modifying eligibility requirements for rental motor vehicle license plates; making technical corrections; amending Minnesota Statutes 2024, sections 168.101, subdivision 2a; 168.15, subdivision 1; 168.27, subdivision 9; 168.301, subdivision 2; 168A.04, subdivision 2; 168A.151, subdivision 1; 168A.154; Minnesota Statutes 2025 Supplement, section 168.1289, subdivision 1; repealing Minnesota Rules, part 7400.5200, subpart 4.

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 3985: A bill for an act relating to transportation; modifying stopping requirements for vehicles approaching school buses; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.444, subdivision 1; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, 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 re-referred

S.F. No. 3969: A bill for an act relating to education; requiring reporting to licensing boards; establishing the criminal offense of grooming; amending Minnesota Statutes 2024, sections 122A.20, subdivisions 1, 2; 260E.15; 260E.28, subdivision 1; 609.352, subdivisions 1, 4, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 260E.065, by adding a subdivision; 260E.20, subdivision 1.

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

Page 7, lines 14 and 15, delete the new language

Page 7, delete section 8 and insert:

"Sec. 8. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2c. **Grooming.** A person 18 years of age or older who engages in a pattern of conduct that is intended by the person to convince a child to engage in sexual conduct with the person at a future time is guilty of a felony and may be sentenced as provided in subdivision 4. Conduct prohibited under this subdivision includes but is not limited to preparatory acts designed to establish a false trusting relationship that results in sexual intimacy such as emotional manipulation; attempts to create emotional dependency; intense validation; excessive flattery; artificial intimacy; constant contact; attempts to isolate the child from their support systems; undermining authority; boundary violations; enforced secrecy; normalizing inappropriate activities, communications, or content; testing limits; and use of coercion, threats, or control."

Page 8, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2d. **Violations by persons in positions of authority.** A person who commits any of the acts prohibited under subdivisions 2 through 2c is guilty of a felony if:

(1) the person is in a current or recent position of authority over the victim;

(2) the person is more than 36 months older than the victim; and

(3) the victim is under the age of 18 years.

Sec. 10. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2e. **School violations.** (a) A person who commits any of the acts prohibited under subdivisions 2 through 2c is guilty of a felony if:

(1) the person is a licensed educator employed or contracted to provide service for an elementary, middle, or secondary school; and

(2) the victim is enrolled as a student at the school.

(b) Notwithstanding the reference to the victim being a child in subdivision 2c, a violation of this subdivision may involve a victim of any age as long as the victim is enrolled as a student at the school."

Page 8, line 10, delete "or" and after "2d" insert ", or 2e"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 3964: A bill for an act relating to the State Fire Code; requiring sealed batteries and national testing standards for smoke alarms in certain dwelling units; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Delete everything after the enacting clause and insert:

"Section 1. **AMENDMENT TO STATE FIRE CODE.**

(a) The state fire marshal, in collaboration with stakeholders and other experts in the field, shall consider amending the State Fire Code to require sealed batteries for smoke alarms in dwelling units.

(b) By January 15, 2027, the fire marshal shall come to a decision on whether an amendment to the State Fire Code is appropriate and, if so, begin the process to amend the code so that the change is implemented in the next revision of the code. The fire marshal shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over fire safety on the fire marshal's decision after it is reached."

Amend the title as follows:

Page 1, line 2, delete everything after "requiring" and insert "the state fire marshal to consider amending the fire code to require sealed batteries for smoke alarms in dwelling units;"

Page 1, line 3, delete "standards for smoke alarms in certain dwelling units;"

Amend the title numbers accordingly

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

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

S.F. No. 4367: A bill for an act relating to local government; authorizing housing and redevelopment agencies to utilize certain long-term equity investment authority; modifying investment types in which a qualifying government may invest; amending Minnesota Statutes 2024, section 118A.09, subdivisions 2, 4, by adding a subdivision.

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 3888: A bill for an act relating to transportation; permitting tow trucks to use variable message signs; amending Minnesota Statutes 2024, section 168B.16.

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

Senator Dibble from the Committee on Transportation, to which was referred

S.F. No. 4618: A bill for an act relating to transportation; authorizing operation of certain autonomous vehicles and on-demand autonomous vehicle networks; authorizing rulemaking; amending Minnesota Statutes 2024, section 169.011, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 169.

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 2024, section 168.012, is amended by adding a subdivision to read:

Subd. 14. **Certain wheelchair accessible vehicles.** A wheelchair accessible vehicle that is an autonomous vehicle operated as part of an on-demand autonomous vehicle network, as that term is defined in section 169B.01, subdivision 11, is not subject to registration taxes under this chapter. "Wheelchair accessible vehicle" means a motor vehicle that is equipped to allow a person to enter and exit, independently or with assistance, while seated in a wheelchair.

Sec. 2. **[169B.01] DEFINITIONS.**

Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in this section have the meanings given and terms defined in section 169.011 have the meanings given.

Subd. 2. **Authorized operator.** "Authorized operator" means the person authorized by the commissioner under section 169B.03 to operate an autonomous vehicle on the public roads of this state with the automated driving system engaged.

Subd. 3. **Automated driving system.** "Automated driving system" means the hardware and software that are collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether the dynamic driving task is limited to a specific operational design domain.

Subd. 4. **Autonomous vehicle.** "Autonomous vehicle" means a motor vehicle equipped with an automated driving system designed to function as a level 4 or 5 system under SAE J3016.

Subd. 5. **Commercial autonomous vehicle operations.** "Commercial autonomous vehicle operations" means the use of an autonomous vehicle for commercial purposes, including but not limited to transporting passengers or goods.

Subd. 6. **Dynamic driving task.** (a) "Dynamic driving task" means the real-time operational and tactical functions required to operate a vehicle in on-road traffic, including but not limited to:

(1) lateral vehicle motion control via steering;

(2) longitudinal motion control via acceleration and deceleration;

(3) monitoring the driving environment via object and event detection, recognition, classification, and response preparation;

(4) object and event response execution;

(5) maneuver planning; and

(6) enhancing conspicuity via lighting, signaling, and gesturing.

(b) Dynamic driving task does not include strategic functions such as trip scheduling and selection of destinations and waypoints.

Subd. 7. **Dynamic driving task fallback.** "Dynamic driving task fallback" means:

(1) the response by the person or human driver to either perform the dynamic driving task or achieve a minimal risk condition after occurrence of a dynamic driving task performance-relevant system failure or upon operational design domain exit; and

(2) the response by an automated driving system to achieve minimal risk condition, given the same circumstances.

Subd. 8. **First responder interaction plan.** "First responder interaction plan" means a document of procedures specifying the capabilities that an autonomous vehicle must have to ensure that a first responder can safely interact with an autonomous vehicle.

Subd. 9. **Human driver.** "Human driver" means a natural person in a vehicle with a valid license to operate a motor vehicle who controls all or part of the dynamic driving task.

Subd. 10. **Minimal risk condition.** "Minimal risk condition" means a condition to which a person, human driver, or an automated driving system may bring a vehicle after performing the dynamic driving task fallback in order to reduce the risk of a crash when a given trip cannot or should not be completed.

Subd. 11. **On-demand autonomous vehicle network.** "On-demand autonomous vehicle network" means a transportation service network that uses a software application or other digital means to dispatch or otherwise enable the prearrangement of transportation with autonomous vehicles for purposes of transporting passengers or goods, including for-hire transportation and transportation of passengers or goods for compensation.

Subd. 12. **Operational design domain.** "Operational design domain" means operating conditions under which an automated driving system is specifically designed to function, including but not limited to environmental, geographical, and time-of-day restrictions and the requisite presence or absence of certain traffic or roadway characteristics.

Subd. 13. **Request to intervene.** "Request to intervene" means a notification by an automated driving system to a human driver that the human driver should promptly begin or resume performance of part or all of the dynamic driving task.

Subd. 14. **SAE J3016.** "SAE J3016" means the April 2021 revision of the Taxonomy and Definitions for Terms Related to Driving Automation Systems for On-Road Motor Vehicles published by SAE International.

Subd. 15. **Teleoperation.** "Teleoperation" means a natural person using a communication system to remotely perform part or all of the dynamic driving task of a motor vehicle.

Sec. 3. **[169B.02] AUTONOMOUS VEHICLE REQUIREMENTS.**

Subdivision 1. **Operating requirements; authorization required.** A person must not operate an autonomous vehicle on the public roads of this state with the automated driving system engaged unless the vehicle meets the requirements of this chapter and receives authorization from the commissioner of public safety under section 169B.03.

Subd. 2. **Automated driving system failure.** If a failure of the automated driving system occurs that renders the system unable to perform all or part of the dynamic driving task relevant to the system's intended operational design domain:

(1) an autonomous vehicle without a human driver must achieve a minimal risk condition; or

(2) an autonomous vehicle with a human driver must issue a request to intervene and, if the human driver does not respond in a reasonable amount of time, the autonomous vehicle must achieve a minimal risk condition.

Subd. 3. **Compliance with traffic laws.** (a) The autonomous vehicle must operate in compliance with all applicable traffic and motor vehicle safety laws and regulations of this state at all times.

(b) An automated driving system must not have any functionality that operates the vehicle in a way that violates traffic laws.

(c) The authorized operator is responsible at all times for ensuring that the automated driving system is in full working order, including by ensuring that all sensors are operational and free of physical interference.

Subd. 4. **Federal requirements.** When required by federal law, an autonomous vehicle must bear the required manufacturer certification label indicating that at the time of its manufacture the autonomous vehicle was certified as in compliance with all applicable federal motor vehicle safety standards, including reference to any exemption granted by the National Highway Traffic Safety Administration.

Sec. 4. **[169B.03] AUTONOMOUS VEHICLE PERMIT.**

Subdivision 1. **Application process and requirements.** (a) A person seeking to operate an autonomous vehicle on the public roads of this state must submit a complete and accurate application to the commissioner of public safety that contains the information required in subdivisions 3 to 7. An authorized operator must reapply for a permit on the first and second year anniversaries of first receiving a permit under this section and must renew the permit every four years thereafter. For purposes of this section, "applicant" means the person seeking a permit under this section.

(b) The commissioner of public safety must not issue an authorization under this section until the study required by section 169B.05, subdivision 6, is completed.

(c) The commissioner of public safety must ensure that the applicant, the autonomous vehicle, and the automated driving system under consideration comply with the requirements of this chapter prior to approving an application under this section.

(d) An authorized operator must provide the commissioner of public safety with an update to the information required in an application under this section no later than ..... days after the information materially changes.

Subd. 2. **Fees.** Upon initial approval of an application under this section, and each annual renewal of a permit, an applicant must pay a fee of $..... per autonomous vehicle operated under the permit.

Subd. 3. **Applicant information.** An applicant must provide the commissioner of public safety with the following information:

(1) the name, address, and principal point of contact for the applicant;

(2) for each autonomous vehicle that will be operated under the permit:

(i) proof of registration in compliance with chapters 168 and 168A;

(ii) the make, year, vehicle identification number, and license plate number;

(iii) the operational design domain; and

(iv) whether the vehicle will be operated without a human driver; and

(3) a written statement certifying that each autonomous vehicle in clause (2) complies with section 169B.02, subdivisions 2 to 4.

Subd. 4. **Financial responsibility.** (a) An applicant must provide proof of financial responsibility that satisfies the requirements of this subdivision.

(b) The owner of an autonomous vehicle must maintain proof of financial responsibility in the same form and at the same minimum limits required for a motor vehicle under sections 65B.48 and 65B.49.

(c) In addition to the requirements under paragraph (b), an applicant seeking authorization to operate an autonomous vehicle without a human driver must maintain proof of financial responsibility for the autonomous vehicle in an amount not less than $10,000,000 combined single limit per occurrence for third-party liability.

(d) Financial responsibility under paragraph (c) may be satisfied by:

(1) an insurance policy issued by an insurer licensed in this state; or

(2) a policy issued by an eligible surplus lines insurer pursuant to sections 60A.195 to 60A.2095.

Subd. 5. **First responder interaction plan.** (a) An applicant seeking authorization to operate an autonomous vehicle without a human driver must provide the commissioner of public safety with

a first responder interaction plan that complies with the requirements issued by the commissioner of public safety under paragraph (b).

(b) By December 31, 2026, the commissioner of public safety must issue guidance on minimum content and operational requirements for a first responder interaction plan. A first responder interaction plan must contain, at minimum:

(1) the capabilities that autonomous vehicles must have to ensure safe interactions with first responders in this state;

(2) safety and maintenance operations that the applicant will maintain to support the autonomous vehicle;

(3) how a first responder may communicate with a natural person who is able to remotely assist the first responder with the autonomous vehicle;

(4) how a first responder may safely remove the autonomous vehicle from the roadway and steps to safely tow the vehicle;

(5) how a first responder or other person may recognize whether the autonomous vehicle is in autonomous mode; and

(6) any additional information the commissioner of public safety, the manufacturer of the autonomous vehicle, or the manufacturer of the automated driving system deems necessary regarding hazardous conditions or public safety risks associated with the operation of the autonomous vehicle.

(c) The applicant may submit the first responder interaction plan prior to submitting an application under subdivision 1. The commissioner of public safety may request changes to the first responder interaction plan prior to receiving the full application.

Subd. 6. **Independent safety verification.** (a) An applicant seeking authorization to operate an autonomous vehicle without a human driver must provide the commissioner of public safety with evidence that the automated driving system is able to perform the entire dynamic driving task in the proposed operational design domain in conditions similar to those found in both urban and nonurban settings in this state, including but not limited to snowpack, ice, low visibility, black ice, and road salt.

(b) The evidence required under paragraph (a) must include demonstrated on-street operation in similar conditions and must be verified by an independent third party at the applicant's expense. The evidence must demonstrate that the autonomous vehicle interacts safely with all road users, including pedestrians and bicyclists, in the entire operational design domain. Verification under this paragraph may be used for multiple autonomous vehicles that use identical automated driving systems.

(c) If the automated driving system does not have sufficient on-street experience as required under paragraph (b), the commissioner of public safety may require that the applicant meet certain conditions prior to granting authorization to operate the autonomous vehicle without a human driver, including additional training time in relevant conditions with a human driver monitoring the automated driving system.

Subd. 7. **Signature required.** An application under this section must be signed by a corporate officer, general partner, limited liability company board member, or sole proprietor.

Subd. 8. **Permit scope and limitations; vehicle classes not eligible.** (a) The commissioner of public safety may issue a permit to an applicant who meets the requirements of this section, except the commissioner must not issue a permit if:

(1) the applicant had a permit revoked during the preceding 180 days;

(2) the application for a permit contains a statement that is false, misleading, or fraudulent; or

(3) the applicant fails to provide all the required or requested information.

(b) The commissioner of public safety must include the following information in a permit issued under this section:

(1) whether each autonomous vehicle may be operated without a human driver;

(2) the approved operational design domain;

(3) any restrictions on operational design domain, such as area, season, or time-of-day; and

(4) any other information or restrictions the commissioner determines necessary.

(c) A person must not operate an autonomous vehicle in a way that is inconsistent with the permit issued under this section.

(d) Only a passenger vehicle is eligible for authorization under this section. A person must not operate an autonomous vehicle of any other class on the public roads of this state.

Subd. 9. **Inspection and investigation authority.** Upon receipt of a complaint or other information alleging a violation of this chapter, the commissioner of public safety may investigate the relevant matter. Representatives of the Departments of Transportation and Public Safety have authority to inspect the records of an authorized operator, including video data, for purposes of complaint investigations, safety reviews, audits, or accident investigations.

Subd. 10. **Enforcement.** (a) The commissioner of public safety may suspend, revoke, or rescind the authority to operate an autonomous vehicle on the public roads of this state if the commissioner of public safety determines that the continued operation of the autonomous vehicle constitutes a threat to public safety. Reasons for the determination include but are not limited to findings by the commissioner of public safety that the autonomous driving system:

(1) caused a collision involving the autonomous vehicle;

(2) violated state or local traffic laws or regulations; or

(3) made a dangerous driving decision that no reasonable human driver would make.

(b) The commissioner of public safety must suspend, revoke, or rescind the authority to operate an autonomous vehicle on the public roads of this state if the commissioner of public safety determines that the automated driving system is found by a court of law to have:

(1) committed an offense described in section 171.17, subdivision 1, paragraph (a), clause (7), (8), (9), or (11); or

(2) caused a collision that resulted in substantial bodily harm or death.

(c) Prior to reinstating authorization, the commissioner of public safety must determine that the automated driving system's capabilities improved sufficiently to prevent a future collision or violation in circumstances similar to those that led to the suspension under paragraph (a) or (b).

(d) In making any determination under paragraph (a), (b), or (c), the commissioner of public safety may request further information from the authorized operator and may consider the authorized operator's cooperation in determining whether to suspend or reinstate authorization under this subdivision.

Subd. 11. **Rules.** The commissioner of public safety may promulgate rules pursuant to chapter 14 governing the authorization required under this section and as may be necessary to carry out the policy of the state declared in this section.

Sec. 5. **[169B.04] AUTONOMOUS VEHICLE DRIVER; LICENSURE; COLLISIONS.**

Subdivision 1. **Definition of driver; licensure; citations.** (a) When no human driver is present, the automated driving system is considered a driver of the autonomous vehicle for the purpose of assessing compliance with applicable traffic or motor vehicle laws and is deemed to electronically satisfy all physical acts required by a driver.

(b) A natural person operating an autonomous vehicle remotely does not satisfy the physical acts required by a driver of a vehicle. Teleoperation is not permitted on the public roads of this state except as expressly approved as part of a first responder interaction plan.

(c) An automated driving system is considered to be licensed to operate an autonomous vehicle under chapter 171 if the autonomous vehicle has been authorized to operate without a human driver under section 169B.03.

Subd. 2. **Violations.** (a) The authorized operator of an autonomous vehicle is legally and financially responsible for any violation of traffic or motor vehicle laws committed by the automated driving system acting as a driver under subdivision 1, paragraph (a). Any citation issued to the automated driving system as a driver must instead be issued to the authorized operator.

(b) For the purpose of calculating the number of violations of a law or rule, an automated driving system that is authorized to operate multiple autonomous vehicles in this state is considered a single driver and responsible for every violation by a vehicle operating under the same authorization regardless of which autonomous vehicle violates the law or rule.

Subd. 3. **Liability.** (a) For the purpose of determining fault and liability in the event of a collision involving an autonomous vehicle without a human driver, the automated driving system is considered to be the driver, and the automated driving system's actions must be assessed using the higher of:

(1) the standard that would be applied to a natural person controlling the entire dynamic driving task in a motor vehicle in a similar circumstance; or

(2) the industry standard for the SAE automation level and the operational design domain that the commissioner of public safety has authorized for the automated driving system involved in the collision.

(b) In any collision involving an autonomous vehicle with the automated driving system engaged, the following parties are jointly and severally liable for any liability incurred by the autonomous vehicle or the autonomous driving system acting as a driver:

(1) the authorized operator of the autonomous vehicle;

(2) the manufacturer of the autonomous vehicle;

(3) the manufacturer of the automated driving system; and

(4) if the autonomous vehicle is part of an on-demand autonomous vehicle network, the network.

Subd. 4. **Collisions involving autonomous vehicles.** (a) A human driver of an autonomous vehicle involved in a collision must comply with the requirements of section 169.09.

(b) In the event of a collision, an autonomous vehicle without a human driver must immediately stop at the scene of the collision consistent with the requirements of section 169.09 and must remain on the scene until:

(1) released by the authorized operator consistent with paragraph (c); or

(2) as otherwise required by a first responder interaction plan.

(c) In the event of a collision, the authorized operator of an autonomous vehicle without a human driver must comply, to the extent possible, with the requirements of section 169.09 that apply to a human driver.

Subd. 5. **Reporting.** (a) An authorized operator must report the following incidents to the commissioner of public safety within 24 hours:

(1) any collision involving the autonomous vehicle resulting in injury, death, or property damage; and

(2) any instance where the automated driving system of the autonomous vehicle has been issued a citation or other penalty for violating traffic laws or regulations.

(b) In addition to the reports required under paragraph (a), an authorized operator must provide reports to the commissioner of public safety at the end of each calendar quarter with summary data that includes all of the following incidents involving an autonomous vehicle:

(1) an accident;

(2) a near miss;

(3) an intervention in the dynamic driving task by a remote natural human operator;

(4) a disengagement;

(5) any instance where the autonomous driving system determines that it has violated a traffic law or regulation, whether or not it was issued a citation;

(6) anonymized travel data, including vehicle miles traveled and trip origin and destination data;

(7) a mapping error; and

(8) a passenger or pedestrian safety incident.

(c) The commissioner of public safety must maintain a public website that provides summary data of incidents reported under paragraphs (a) and (b) for each autonomous vehicle. The commissioner of public safety must update the public website within five business days of receiving data under paragraph (a) or (b).

Sec. 6. **[169B.05] COMMERCIAL AUTONOMOUS VEHICLE OPERATIONS.**

Subdivision 1. **Operation limitations.** Commercial autonomous vehicle operations, including the operation of an on-demand autonomous vehicle network, are prohibited in this state until the Commercial Autonomous Vehicle Operations Impact Advisory Task Force delivers its required report and the commercial autonomous vehicle operations permit process has been established by the commissioner pursuant to subdivision 2. No entity may begin commercial autonomous vehicle operations without a permit issued by the commissioner.

Subd. 2. **Permit process.** The commissioner may develop a commercial autonomous vehicle operations permit process based on the study and recommendations provided by the Commercial Autonomous Vehicle Operations Impact Advisory Task Force. The commissioner must ensure that any permit process for an on-demand autonomous vehicle network conforms to the requirements of this section.

Subd. 3. **On-demand autonomous vehicle network authorization.** (a) A person must obtain a permit from the commissioner under this section to operate an on-demand autonomous vehicle network to transport passengers or goods in this state.

(b) The commissioner may issue a permit to an on-demand autonomous vehicle network to transport passengers or goods in this state, including for hire, upon application and confirmation by the commissioner that the on-demand autonomous vehicle network satisfies the requirements of this section and any additional requirements adopted by the commissioner under subdivision 2.

(c) The commissioner may suspend, revoke, or rescind the permit issued under paragraph (b) if the commissioner determines that the on-demand autonomous vehicle network is no longer in compliance with one or more requirements of this section.

Subd. 4. **Authorized autonomous vehicles.** (a) A person seeking a permit to operate an on-demand autonomous vehicle network must maintain with the commissioner at all times a current list of the autonomous vehicles operating on the network and provide proof to the commissioner that each vehicle is authorized by the commissioner of public safety under section 169B.03.

(b) The operator of an on-demand autonomous vehicle network must ensure that every autonomous vehicle in the network complies with the requirements under this chapter at all times and must immediately remove a vehicle from service if the vehicle ceases to comply with this chapter.

(c) The operator of an on-demand autonomous vehicle network must promptly report to the commissioner any changes to the information provided under paragraph (a).

Subd. 5. **Operating requirements.** (a) An autonomous vehicle operating on an on-demand autonomous vehicle network must not accept requests for service via traditional street hail.

(b) Every autonomous vehicle operating in an on-demand autonomous vehicle network must be an all-electric vehicle.

(c) Autonomous vehicles operating in an on-demand autonomous vehicle network must avoid using transit corridors when driving without passengers, except when responding to a pickup request on the transit corridor and must not interfere with transit vehicles when driving with passengers.

(d) An on-demand autonomous vehicle network must disclose to the rider the fare or fare calculator method on its website or within the online-enabled technology application service before the beginning of a prearranged ride.

(e) Upon completion of a ride, an on-demand autonomous vehicle network must transmit an electronic receipt to the rider that lists:

(1) the origin and destination of the ride;

(2) the total time and distance of the ride; and

(3) the total fare paid.

(f) At all times while an autonomous vehicle is active on an on-demand autonomous vehicle network, the vehicle must display a consistent and distinctive signage or emblem. Acceptable forms of distinctive signage include but are not limited to symbols or signs on vehicle doors, roofs, or grilles, including magnetic or other removable signs or symbols.

(g) Prior to being put into service on any on-demand autonomous vehicle network and annually thereafter, an autonomous vehicle must be inspected to confirm the vehicle is in good working condition. The on-demand autonomous vehicle network must maintain documentation of inspections for a period of three years.

Subd. 6. **Traffic study.** Prior to authorizing an on-demand autonomous vehicle network, the commissioner must require a traffic study of the area where the network will operate. The cost of the study must be paid by the person seeking authorization to operate an on-demand autonomous vehicle network.

Subd. 7. **Local considerations.** Prior to granting a permit to a proposed on-demand autonomous vehicle network under this section, the commissioner must permit a municipality within the proposed area of operation to review and provide comments on the traffic study required under subdivision 6. The commissioner must consider any requests from the municipality regarding the operation of the proposed network.

Subd. 8. **Equity; accessibility; transit.** (a) A person seeking a permit to operate an on-demand autonomous vehicle network must present a plan to the commissioner to address issues of accessibility and equity, including how the network meets the requirements under this subdivision. The commissioner may impose additional requirements to address issues of accessibility and equity based upon the recommendations of the Commercial Autonomous Vehicle Operations Impact Advisory Task Force.

(b) An on-demand autonomous vehicle network must serve neighborhoods outside of high-profit corridors.

(c) An on-demand autonomous vehicle network must provide a plan to operate in conjunction with existing public transit networks.

(d) An on-demand autonomous vehicle network must not discriminate between serving residential neighborhoods based on the racial, ethnic, or economic status of the residents.

(e) An on-demand autonomous vehicle network must serve residents who do not have smartphones.

(f) An on-demand autonomous vehicle network must provide vehicles that are accessible to passengers with disabilities.

Subd. 9. **Accessibility.** The commissioner, in consultation with the Governor's Council on Connected and Automated Vehicles and the Minnesota Council on Disability, must develop guidance or recommendations regarding accessibility standards, including digital accessibility standards, for automated vehicles and automated vehicle services to ensure accessible and usable transportation options for individuals with disabilities.

Subd. 10. **Accessible vehicles required.** An on-demand autonomous vehicle network with between 40 and 60 autonomous vehicles operating in the network must operate at least two wheelchair accessible vehicles at all times. An on-demand autonomous vehicle network with over 60 autonomous vehicles operating in the network must maintain a total number of wheelchair accessible vehicles that constitute at least ten percent of vehicles in the network at all times. If an on-demand autonomous vehicle network cannot provide a wheelchair accessible vehicle, the network must direct the request to a provider of wheelchair accessible vehicles. For the purpose of this subdivision, "wheelchair accessible vehicle" means a motor vehicle that is equipped to allow a person to enter and exit, independently or with assistance, while seated in a wheelchair.

Subd. 11. **Wheelchair accessible vehicles.** At all times that an on-demand autonomous vehicle network operates wheelchair accessible vehicles, as that term is defined in section 168.012, subdivision 14, that constitutes more than ten percent of the total number of autonomous vehicles operating in the network, the registration taxes owed under section 168.013 on each autonomous vehicle in the network that is not a wheelchair accessible vehicle is reduced by 50 percent.

Subd. 12. **Emergency protocol; passenger assistance.** (a) An on-demand autonomous vehicle network must equip each autonomous vehicle operating in the network with a system that is able to connect directly with emergency service providers in the event of a passenger emergency. The on-demand autonomous vehicle network must have in place a protocol that provides for when and how emergency service providers are contacted and must include the protocol in the first responder interaction plan.

(b) An on-demand autonomous vehicle network must have a system to provide nonemergency physical assistance to a passenger in need of assistance at the beginning, during, or at the end of a prearranged ride. The on-demand autonomous vehicle network must disclose the availability of the service and provide instructions for obtaining assistance within the online-enabled technology application used to arrange a ride and in each autonomous vehicle operating in the network.

Subd. 13. **Modifications.** (a) The commissioner must consider the following factors when determining whether to grant a permit under this section:

(1) the proposed on-demand autonomous vehicle network's compliance with the requirements under this section;

(2) any recommendations provided by the Commercial Autonomous Vehicle Operations Impact Advisory Task Force;

(3) input provided by a local government within the proposed service area;

(4) impact on traffic conditions;

(5) impact on public transit;

(6) impact on paratransit; and

(7) public safety.

(b) The commissioner may request modifications to the proposed service to address the considerations in paragraph (a).

Subd. 14. **Mandatory suspension.** (a) The commissioner must suspend the permit of an on-demand vehicle network for a minimum of six months if the authorized operator or the automated driving system of an autonomous vehicle in the network is found by a court of law to have:

(1) committed a criminal violation of traffic laws or regulations; or

(2) caused a collision that resulted in injury or death.

(b) The commissioner must not reinstate a permit suspended under paragraph (a) until the commissioner receives verification from an independent third party that the capabilities of the automated driving system have sufficiently improved to prevent an incident similar to the incident that required suspension under paragraph (a).

(c) If the permit of an autonomous vehicle operating on an on-demand autonomous vehicle network is suspended, revoked, or rescinded by the commissioner of public safety under this

subdivision, the commissioner must immediately suspend the permit of the on-demand autonomous vehicle network until the commissioner of public safety reauthorizes the autonomous vehicle.

Subd. 15. **Labor impact.** Based on the recommendations of the Commercial Autonomous Vehicle Operations Impact Advisory Task Force, the commissioner may impose additional requirements upon the operator of an on-demand autonomous network to ameliorate any negative workforce impacts, including by imposing fees. The money collected under this subdivision must be deposited in the state treasury and credited to the workforce development fund to be used for the dislocated worker program under section 116L.17.

Subd. 16. **Infrastructure costs.** (a) This subdivision applies when:

(1) a political subdivision determines that the political subdivision must provide additional infrastructure to accommodate the planned operations of an on-demand autonomous vehicle network; and

(2) the commissioner determines that the traffic study required under subdivision 6 supports the political subdivision's determination.

(b) When this subdivision applies, the commissioner may:

(1) require an on-demand autonomous vehicle network to pay for the infrastructure costs identified in paragraph (a), clause (1), as a condition of receiving a permit; or

(2) require modifications to the planned operations of the on-demand autonomous vehicle network to address any issue identified by the political subdivision under paragraph (a).

Subd. 17. **Data privacy.** (a) Notwithstanding section 325M.12, subdivision 1, an on-demand autonomous vehicle network is subject to the Minnesota Consumer Data Privacy Act under sections 325M.10 to 325M.21.

(b) An on-demand autonomous vehicle network must not disclose personal data of any customer to law enforcement or in connection with a law enforcement investigation except as required by court order or a valid search warrant.

Subd. 18. **Local authority.** This section does not limit the authority of a county, statutory or home rule charter city, town, special district, or airport authority to regulate the operation of an on-demand autonomous vehicle network within its boundaries, including by requiring permits or imposing requirements and fees.

Subd. 19. **Rules.** The commissioner may promulgate rules pursuant to chapter 14 governing the authorization and operation of an on-demand autonomous vehicle network under this section and as may be necessary to implement recommendations of the Commercial Autonomous Vehicle Operations Impact Advisory Task Force.

Sec. 7. **ADVISORY TASK FORCE ESTABLISHED; COMMERCIAL AUTONOMOUS VEHICLE OPERATIONS IMPACT.**

Subdivision 1. **Establishment; members.** (a) The Commercial Autonomous Vehicle Operations Impact Advisory Task Force is established to provide recommendations to the commissioner of

transportation regarding the impact of commercial autonomous vehicle operations in Minnesota. The advisory task force is composed of the following members:

(1) the commissioner of transportation or a designee;

(2) the commissioner of public safety or a designee;

(3) the commissioner of commerce or a designee;

(4) the attorney general or a designee;

(5) one member of the house of representatives appointed by the speaker of the house;

(6) one member of the house of representatives appointed by the minority leader of the house;

(7) one member of the senate appointed by the senate majority leader;

(8) one member of the senate appointed by the senate minority leader;

(9) one representative from the driver workforce in the private sector appointed by the governor;

(10) one representative from the driver workforce in the public sector appointed by the governor;

(11) one rideshare driver appointed by the governor;

(12) one representative from the disability rights community appointed by the governor;

(13) one representative from a municipal government appointed by the League of Minnesota Cities;

(14) one representative from a city of the first class in the seven-county metropolitan area appointed by the League of Minnesota Cities;

(15) five representatives from the small business community, one appointed by the speaker of the house of representatives, one appointed by the minority leader of the house of representatives, one appointed by the senate majority leader, one appointed by the senate minority leader, and one appointed by the governor;

(16) one representative appointed by the Motorcycle Industry Council;

(17) one representative appointed by the Metropolitan Airports Commission;

(18) one representative of organized labor appointed by the governor;

(19) one representative from the Department of Transportation's Connected and Automated Vehicles Office appointed by the commissioner of transportation;

(20) one representative from a consumer rights advocacy group appointed by the governor; and

(21) two representatives, each from a different autonomous vehicle company, appointed by the governor.

(b) The commissioners or their designees appointed under paragraph (a), clauses (1) to (3), must serve as cochairs of the advisory task force.

Subd. 2. **Commercial autonomous vehicle operations study.** (a) The advisory task force must conduct a comprehensive review of commercial autonomous vehicle operations and evaluate its potential deployment in Minnesota. The advisory task force may enlist an independent research institution with expertise in rideshare labor economics to assist with the advisory task force's duties under this section. The review must include but is not limited to:

(1) an independent economic impact study to determine the short- and long-term effects of commercial autonomous vehicle operations on rideshare drivers and commercial drivers and workforce displacement projections;

(2) economic impacts on transportation network company drivers;

(3) reemployment pathways for displaced rideshare drivers and commercial drivers;

(4) economic displacement impacts on businesses that serve rideshare drivers and commercial drivers;

(5) financial impacts on Minnesota, including those due to reduction in tax revenues;

(6) accessibility offerings and supports for people with disabilities;

(7) whether the state should impose fees to support programs to address negative impacts identified by the advisory task force;

(8) legal liability in the event of a collision;

(9) algorithmic management, including requiring public notification for any changes to the algorithm that could impact how autonomous vehicles interact with other vehicles or pedestrians;

(10) financial and infrastructure impacts on cities and the state;

(11) development of a certification process not overseen by the autonomous vehicle industry;

(12) potential for interference with first responders;

(13) an evaluation of autonomous vehicles' ability to navigate city streets; and

(14) an assessment of vehicle miles traveled and congestion impacts of commercial autonomous vehicle operations and whether a per-mile fee should be imposed on autonomous vehicles operating in an on-demand autonomous vehicle network.

(b) The advisory task force must hold public hearings subject to the Open Meeting Law under Minnesota Statutes, chapter 13D, to obtain testimony from rideshare drivers, commercial drivers, and members of the public. The advisory task force must accept public comment for no fewer than 30 days after the release of any preliminary findings.

(c) By February 1, 2028, the advisory task force must submit the final report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and the Legislative Reference Library. The commissioner must also publish a final report on the Department of Transportation's website. The report must include recommendations to the commissioner of transportation on whether commercial autonomous vehicle operations should be allowed to operate in Minnesota, whether a human driver should be required during commercial autonomous vehicle operations, and potential requirements for a permit process to authorize commercial autonomous vehicle operations.

Subd. 3. **Administration; terms of membership.** The commissioner must convene the first meeting of the advisory task force by September 30, 2026, and provide staff support to the advisory task force. The provisions of Minnesota Statutes, section 15.059, subdivision 6, govern the terms and removal of members of the advisory task force. Members of the advisory task force serve without compensation or per diem.

Subd. 4. **Expiration.** The advisory task force expires on February 1, 2028."

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "establishing a task force; requiring a report;"

Amend the title numbers accordingly

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

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

S.F. No. 3704: A bill for an act relating to public safety; controlled substances; establishing the legal age to possess kratom as 21 years of age or older; amending Minnesota Statutes 2024, section 152.027, subdivision 7.

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. 3900: A bill for an act relating to state government; implementing recommendations of the legislative auditor regarding agency grant, inventory, and debt collection practices; amending Minnesota Statutes 2024, sections 3.978, subdivision 3; 16B.24, by adding a subdivision; 16B.97, subdivisions 3, 4; 16B.98, subdivisions 3, 6, by adding subdivisions; 16D.03, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 16A.057, subdivision 5; 16B.98, subdivision 6a; 16D.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Page 8, after line 7, insert:

"Sec. 14. Minnesota Statutes 2024, section 349A.06, is amended by adding a subdivision to read:

Subd. 13. **Lottery retailers responsible for tickets.** (a) Tickets accepted by the retailer from the lottery or its authorized representatives are considered to have been purchased by the retailer, unless returned within the time specified. The retailer is responsible for lost, stolen, or missing tickets.

(b) Tickets that have not been deactivated and are not returned by the retailer on the final settlement date, regardless of reason, shall be deemed to have been sold to the retailer.

(c) The director of the lottery may not waive the lottery retailer's responsibility for lost, stolen, or missing tickets.

Sec. 15. **LOTTERY RULES.**

The director of the lottery must amend rules to comply with amendments to Minnesota Statutes, section 349A.06, in this act and may do so using the good cause exemption under Minnesota Statutes, section 14.388."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "making lottery retailers responsible for lost, stolen, or missing lottery tickets; requiring the lottery director to amend rules;"

Amend the title numbers 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. 4402: A bill for an act relating to cannabis; providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; amending Minnesota Statutes 2024, section 342.20, subdivisions 1, 2, 3.

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

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

S.F. No. 4289: A bill for an act relating to civil law; requiring arbitration agreements to be made after a consumer transaction; requiring arbitration agreements to be clear and conspicuous; proposing coding for new law in Minnesota Statutes, chapter 325D.

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

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

S.F. No. 4537: A bill for an act relating to housing; modifying the requirements in an expedited eviction process; amending Minnesota Statutes 2024, section 504B.321, subdivision 2.

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 2024, section 504B.321, subdivision 2, is amended to read:

Subd. 2. **Expedited procedure.** (a) In an eviction action brought under section 504B.171 or on the basis that the residential tenant engages in behavior that seriously endangers the safety of other residents, assaults the landlord or the landlord's employee or contractor, or intentionally and seriously damages the property of the landlord or a tenant, the person filing the complaint shall file an affidavit stating specific facts and instances in support of why an expedited hearing is required. For the purposes of this subdivision, "assault" has the meaning given in section 609.02, subdivision 10.

(b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled for an expedited hearing only if sufficient supporting facts are stated and they meet the requirements of this paragraph.

(c) The appearance in an expedited hearing shall be not less than five days nor more than seven days from the date the summons is issued. The summons, in an expedited hearing, shall be served upon the residential tenant within 24 hours of issuance unless the court orders otherwise for good cause shown.

(d) If the court determines that the person seeking an expedited hearing did so without sufficient basis under the requirements of this subdivision, the court shall impose a civil penalty of up to ~~$500~~ $750 for abuse of the expedited hearing process.

(e) The court may only consider allegations under paragraph (a) during an expedited hearing. The court may not consolidate claims heard under the expedited procedure with any additional claims, including but not limited to breach of lease, holding over under section 504B.285, or nonpayment of rent under section 504B.291.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to eviction actions filed on or after that date."

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. 4293: A bill for an act relating to corrections; clarifying in law the multiple levels of substance abuse care provided by the commissioner of corrections; expanding access to mental health unit beds for incarcerated persons; clarifying mandatory tuberculosis screening in correctional facilities; amending Minnesota Statutes 2024, sections 144.445, subdivisions 1, 2, by adding a subdivision; 241.021, subdivision 4a; 241.69, subdivisions 1, 3, 4, 5, 6.

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

Page 1, delete section 1

Page 2, delete sections 2 and 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, delete everything

Page 1, line 5, delete "screening in correctional facilities;"

Amend the title numbers 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. 4171: A bill for an act relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

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

Page 2, after line 2, insert:

"Subdivision 1. **Definition.** For the purposes of this section, "digital payment platform" means an electronic application or system, under the direct control of the landlord or operated by a vendor under contract with the landlord, that permits a user to conduct financial transactions."

Page 2, line 11, before "digital" insert "landlord knows that the" and delete "known to be"

Page 2, line 16, after "because" insert "both" and delete ", or" and insert "and"

Page 2, line 17, delete ", is" and insert "are" and delete everything after the period

Page 2, delete lines 18 to 24 and insert:

"Subd. 4. **Affirmative defense.** The tenant has an affirmative defense against an eviction action filed for nonpayment of rent if the landlord violates this section. Upon a showing that the landlord has violated this section, the eviction action must be dismissed, and the tenant is entitled to reasonable attorney fees and any other equitable relief the court deems appropriate.

EFFECTIVE DATE. This section is effective August 1, 2026. Subdivision 4 applies to eviction actions filed on or after that date."

Renumber the subdivisions in sequence

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

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

S.F. No. 4111: A bill for an act relating to state government; appropriating money for software modernization and outreach.

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 2320: A bill for an act relating to public safety; authorizing local governmental units to prohibit or restrict the possession of dangerous weapons, ammunition, or explosives in local government-owned or leased buildings and land; amending Minnesota Statutes 2024, section 609.66, by adding a subdivision.

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

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 4446: A bill for an act relating to natural resources; modifying provisions for soil and water conservation; amending Minnesota Statutes 2024, sections 103C.005; 103C.201, subdivision 7; 103C.225, subdivision 4; 103C.331, subdivisions 5, 6, 7, 9, 15; 103C.335; 103C.501, subdivisions 5, 7; repealing Minnesota Statutes 2024, section 103C.101, subdivision 8.

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

Page 6, after line 13, insert:

"Sec. 12. Minnesota Statutes 2024, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** A replacement plan for wetlands is not required for:

(1) impacts to wetlands on agricultural land ~~labeled prior-converted cropland and impacts to wetlands~~ resulting from drainage maintenance activities that do not exceed the scope and effect of drainage manipulations that occurred before December 23, 1985, and are 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, title 7, part 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;

(2) until October 31, 2031, impacts to wetlands on agricultural land that:

(i) was planted with annually seeded crops before July 1, except for crops that are normally planted after that date, in eight out of the ten most recent years before the impact;

(ii) 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 before the impact; or

(iii) was enrolled in a state or federal land conservation program and met the requirements of item (i) or (ii) before enrollment;

~~(2)~~ (3) 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;

~~(3)~~ (4) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

~~(4)~~ (5) 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;

~~(5)~~ (6) 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

~~(6)~~ (7) agricultural activities on agricultural land that is subject to the swampbuster provisions of the federal farm program restrictions, including the use of an agricultural wetland bank, consistent with a memorandum of understanding and related agreements between the board and the United States Department of Agriculture, Natural Resources Conservation Service.

Sec. 13. Minnesota Statutes 2024, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** (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, including public drainage systems. Public drainage systems can meet this requirement with documentation that:

(1) a repair of the drainage system ordered by the drainage authority was completed within the past 25 years in accordance with section 103E.701; or

(2) ditch inspections were completed within the past 25 years as required under section 103E.705 and a repair was not ordered by the drainage authority during that time.

(b) The exemption in paragraph (a) may only be applied to wetlands within or adjacent to the part of the system that is documented to have been repaired or inspected in accordance with paragraph (a), clause (1) or (2).

~~(b)~~ (c) 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 wetlands."

Renumber the sections in sequence

Amend the title numbers accordingly

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. 4374: A bill for an act relating to natural resources; adding requirements for state park license plate contest; amending Laws 2024, chapter 116, article 3, section 53.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 2024, chapter 116, article 3, section 53, is amended to read:

Sec. 53. **STATE PARK LICENSE PLATE DESIGN CONTEST.**

The commissioner of natural resources must hold a license plate design contest to design a new state park license plate available under Minnesota Statutes, section 168.1295, subdivision 1. The license plate design must:

(1) celebrate the North Shore and the Lake Superior Agate;

(2) not be created in whole or in part using artificial intelligence;

(3) be created by a resident of Minnesota; and

(4) be selected no later than December 18, 2026.

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

Amend the title numbers accordingly

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. 4525: A bill for an act relating to environment; modifying notice requirements for water discharges; amending Minnesota Statutes 2024, section 115.061.

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4390: A bill for an act relating to insurance; establishing a supplemental health insurance product to cover short-term home health and nursing care; providing civil penalties; amending Minnesota Statutes 2024, sections 62A.135, subdivision 1; 62A.46, subdivision 2; 72A.13, subdivision 1; 256B.0913, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 3936: A bill for an act relating to health insurance; extending reinsurance assessment authority; amending Minnesota Statutes 2025 Supplement, sections 62E.23, subdivisions 1a, 2, 3; 62E.24, subdivisions 1, 2.

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

Page 5, after line 23, insert:

"Sec. 6. **CONTINUATION OF STATE INNOVATION WAIVER.**

Subdivision 1. **Waiver application submission.** The commissioner of commerce must apply to the Secretary of the United States Department of Health and Human Services under United States Code, title 42, section 18052, for continuation of the state innovation waiver previously granted to implement the Minnesota premium security plan under Minnesota Statutes, section 62E.23, for benefit years beginning January 1, 2028, and in subsequent benefit years, to maximize federal funding. The commissioner must submit the application by December 31, 2026. The waiver application must clearly state that operation of the Minnesota premium security plan after the 2027 benefit year is contingent on approval of the waiver request. The commissioner of commerce shall reapply for the waiver as necessary to continue the operation of the Minnesota premium security plan under Minnesota Statutes, section 62E.23.

Subd. 2. **Notification.** The commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance, and the board of directors of the Minnesota Comprehensive Health Association, regarding (1) the commissioner's intent to submit a waiver application, and (2) federal action taken with respect to the waiver request."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "requiring the commissioner of commerce to apply for a waiver continuation;"

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 2814: A bill for an act relating to real estate appraisers; establishing a disciplinary sanction matrix; proposing coding for new law in Minnesota Statutes, chapter 82B.

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

Page 1, delete lines 6 to 10 and insert:

"When establishing a sanction for an appraiser, the commissioner may consider the current version of the Voluntary Disciplinary Action Matrix published by the Appraisal Foundation as nonbinding guidance. The commissioner retains discretion to determine the appropriate sanction based on the specific facts of each case, regardless of the suggestions contained within the matrix."

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

Senator McEwen from the Committee on Labor, to which was referred

S.F. No. 4686: A bill for an act relating to employment; regulating the use of electronic monitoring tools in employment settings; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 1, line 17, delete "assist or" and insert "partially or fully"

Page 7, delete line 12

Page 7, line 13, delete "(2)" and insert "(1)"

Page 7, delete line 14

Page 7, line 15, delete "(4)" and insert "(2)" and after the semicolon insert "and"

Page 7, line 16, delete "(5)" and insert "(3)"

Page 7, line 17, delete "; and" and insert a period

Page 7, delete line 18

Page 7, line 25, after "workers" insert "possible"

Page 8, line 12, delete "who are off duty" and insert "outside of regularly-scheduled work hours"

Page 8, line 17, delete "a workplace in"

Page 8, line 24, after "transmit" insert "worker"

Page 8, line 25, after "of" insert "personal"

Page 8, line 26, after the semicolon insert "or"

Page 8, delete line 27

Page 8, line 28, delete "(4)" and insert "(3)"

Page 12, line 16, after "the" insert "federal," and after "state" insert a comma

Page 13, lines 19 and 22, after "of" insert "up to" and after "violation" insert "to be deposited in the workforce development fund"

Page 13, after line 24, insert:

"(c) In determining the penalty amount for a violation listed under this subdivision, the commissioner must consider the size of the employer and the severity of the violation."

Page 13, delete subdivision 6

Renumber the subdivisions in sequence

Page 14, line 4, after "notices" insert "and appeal form"

Page 14, after line 5, insert:

"Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective January 1, 2027."

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

Senator McEwen from the Committee on Labor, to which was referred

S.F. No. 4576: A bill for an act relating to employment; requiring notice and a transitional employment period for employees displaced by artificial intelligence; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 1, line 20, delete "25" and insert "ten" and after "total" insert "unit or department-equivalent"

Page 2, line 3, delete "25" and insert "ten" and delete "25" and insert "ten" and after "employer's" insert "unit or department-equivalent"

Page 2, line 7, after the semicolon, insert "and"

Page 2, line 8, delete the semicolon and insert a period

Page 2, delete lines 9 and 10

Page 2, after line 16, insert:

"(d) The commissioner must develop notice templates for use by covered employers to provide the notice of technological displacement required under this subdivision."

Page 2, after line 25, insert:

"(c) A covered employer is exempt from the requirements in subdivisions 2 and 3 if the displaced worker transitions to a position with the same or similar benefits and compensation."

Page 2, line 29, delete "maintain a" and insert "make" and delete "registry" and insert "a list"

Page 3, line 5, delete "60" and insert "90"

Page 3, line 6, after "violation" insert "to be deposited in the workforce development fund"

Page 3, after line 6, insert:

"(c) In determining the penalty amount for a violation, the commissioner must consider the size of the employer and the severity of the violation.

Subd. 6. **Report.** By February 15, 2028, and each February 15 thereafter, the commissioner must report to the chairs and ranking minority members of the legislative committees having jurisdiction over labor on the number of covered employers that met the technological displacement notice threshold under subdivision 2. The report must also include summary data information including the number of workers and worker classifications affected.

EFFECTIVE DATE. This section is effective January 1, 2027."

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "requiring a report;"

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

Senator McEwen from the Committee on Labor, to which was referred

S.F. No. 4689: A bill for an act relating to employment; regulating the use of automated decision systems in employment settings; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 1, line 17, delete "assist or" and insert "partially or fully"

Page 5, delete lines 7 to 9

Page 5, line 10, delete "(f)" and insert "(e)"

Page 8, line 13, after "on" insert "worker"

Page 8, line 19, delete "a" and insert "one or more"

Page 9, lines 11 and 12, delete "or termination"

Page 9, after line 12, insert:

"An automated decision system must not be used to terminate a worker."

Page 12, line 30, after "of" insert "up to" and after "violation" insert "to be deposited in the workforce development fund"

Page 13, line 2, after "of" insert "up to" and after "violation" insert "to be deposited in the workforce development fund"

Page 13, after line 4, insert:

"(c) In determining the penalty amount for a violation listed under this subdivision, the commissioner must consider the size of the employer and the severity of the violation."

Page 13, delete subdivision 6

Page 13, line 16, after "notices" insert "and appeal form"

Page 13, after line 17, insert:

"Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective January 1, 2027."

Renumber the subdivisions in sequence

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

Senator Hawj from the Committee on Environment, Climate, and Legacy, to which was referred

S.F. No. 4228: A bill for an act relating to state lands; modifying acquisition provisions; adding to and deleting from certain state parks; authorizing sales and conveyances of certain surplus state lands; amending Minnesota Statutes 2024, sections 84.0272, subdivisions 1, 2; 84.96, by adding a subdivision.

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

Page 4, after line 33, insert:

"Sec. 7. **ITASCA COUNTY; PILOT PROGRAM FOR THE SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATERS.**

Subdivision 1. **Pilot program established.** Itasca County must develop and operate a pilot program under this section to identify and sell, after review by the commissioner of natural resources, tax-forfeited lands that are in the county's land management interests to return to private ownership.

Subd. 2. **Identification of parcels for sale.** (a) By October 1, 2026, Itasca County must identify all parcels of tax-forfeited land within the county that:

(1) border public waters; and

(2) are accessible by existing transportation infrastructure.

(b) By December 1, 2026, Itasca County must rank the parcels identified under paragraph (a) according to the benefit to the county's land management interests that would be realized if each parcel were returned to private ownership.

Subd. 3. **Sale of priority parcels.** Notwithstanding Minnesota Statutes, section 92.45, or 282.018, subdivision 1, or the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell up to ten percent of the tax-forfeited land identified under subdivision 2, paragraph (a), under the remaining provisions of Minnesota Statutes, chapter 282. Itasca County must:

(1) attempt to sell parcels in accordance with the ranking developed under subdivision 2, paragraph (b);

(2) comply with the requirements of Minnesota Statutes, sections 282.012 and 282.0197, relating to repurchase by prior owners and sale of land located within the boundary of an Indian reservation, respectively; and

(3) comply with the public sale provisions of Minnesota Statutes, chapter 282, except that a parcel may be sold by private sale where Itasca County determines that the parcel:

(i) is nonconforming to current zoning or local ordinances;

(ii) is landlocked without legal access; or

(iii) is a parcel of land with physical characteristics that indicate that its best use will be achieved by combining it with an adjoining parcel."

Page 6, delete section 8

Page 7, after line 2, insert:

"Sec. 10. **CONVEYANCE OF SURPLUS STATE LAND; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.298, or any other law to the contrary, upon approval by the Minnesota Historical Society's Executive Council, the director of the Minnesota Historical Society may convey to the Lower Sioux Indian Community in the state of Minnesota, for no consideration, the surplus land and real property that is described in paragraph (c).

(b) The Minnesota Historical Society may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Redwood County and is described as: TRACT "C" that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112, Range 34,

Redwood County, Minnesota, lying southerly of the center line of C.S.A.H. NO. 2 as shown on REDWOOD COUNTY RIGHT OF WAY PLAT NO. 3 C.S.A.H. NUMBER 2 as of public record, Redwood County, Minnesota.

(d) The Minnesota Historical Society has determined that the state's land management interests and interpretive program interests would best be served if portions of the Lower Sioux Agency Historic Site were conveyed to the Lower Sioux Indian Community in the state of Minnesota.

Sec. 11. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Government Lot 2, EXCEPT the South 760 feet; AND EXCEPT that part of Government Lot 2, shown as Parcel 75 on Minnesota Department of Transportation Right of Way Plat No. 69-181, Section 18, Township 62 North, Range 20 West.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 12. **PRIVATE SALE OF LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale and competitive bidding requirements of Minnesota Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale the county fee-owned lands described in paragraph (b).

(b) The lands to be sold are located in St. Louis County, Section 34, Township 51 North, Range 18 West, and are described as:

(1) Lots 1, 2, 3, 10, 11, and 12, Block B, including part of the vacated alley adjacent and including part of vacated 3rd Avenue adjacent, Brookston;

(2) Lots 4 thru 9, Block B, including part of the vacated alley adjacent, and including part of 3rd Street S adjacent to Lots 6 and 7, and including part of 3rd Avenue adjacent to Lots 4 thru 6 tool house, Brookston; and

(3) that part of the South Half of the Northeast Quarter lying southerly of the Brookston Plat and westerly of County State-Aid Highway 31.

(c) St. Louis County has determined that the county's interest would best be served if the lands were sold."

Page 8, after line 3, insert:

"Sec. 14. **CONVEYANCE OF SURPLUS STATE LAND; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.298, or any other law to the contrary, upon approval by the Minnesota Historical Society's Executive Council, the director of the Minnesota Historical Society may convey to the city of Marine on Saint Croix, for no consideration, the surplus land and real property that is described in paragraph (c).

(b) The Minnesota Historical Society may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Washington County and is described as: that part of Block 47 of MARINE, according to the recorded plat thereof, Washington County, Minnesota, described as follows: Commencing at the southwest corner of said Block 47, thence North 24 degrees 18 minutes 37 seconds West, assumed bearing, along the westerly line of said Block 47, a distance of 98.35 feet, to the point of beginning of the tract of land to be described; thence continuing North 24 degrees 18 minutes 37 seconds West, along said westerly line of Block 47, a distance of 61.38 feet; thence North 66 degrees 16 minutes 53 seconds East, 89.81 feet; thence South 24 degrees 27 minutes 39 seconds East, 59.63 feet; thence South 65 degrees 09 minutes 47 seconds West, 89.96 feet, to the point of beginning."

Page 8, line 5, delete "10" and insert "14"

Renumber the sections in sequence

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. 4511: A bill for an act relating to public safety; prohibiting certain wagers and other activities regarding prediction markets; providing criminal penalties; amending Minnesota Statutes 2024, sections 609.75, subdivision 3; 609.76, 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 2024, section 299L.03, subdivision 12, is amended to read:

Subd. 12. **Cease and desist orders.** (a) When it appears to the director that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, ~~or~~ any rule or order issued under this chapter, or section 609.7615, the director may issue and cause to be served on the person an order requiring the person to cease and desist from the violations ~~of this chapter, or any rule or order issued under this chapter~~. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing must be held not later than seven days after receiving the request for a hearing. Within 20 days of receiving the administrative law judge's report

and subsequent exceptions and argument, the director shall issue an order vacating the cease and desist order, modifying the order, or making it permanent, as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings under this subdivision must be conducted in accordance with sections 14.57 to 14.69 of the Administrative Procedure Act. If the person to whom a cease and desist order has been issued under this subdivision fails to appear at a hearing after being notified of the hearing, the person is deemed in default and the proceeding may be determined against the person on consideration of the cease and desist order, the allegations of which are deemed to be true.

(b) When it appears to the director that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, ~~or~~ any rule adopted or subpoena or order issued under this chapter, or section 609.7615, the director may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance ~~with this chapter or any rule, subpoena, or order issued or adopted under this chapter~~, and may refer the matter to the attorney general. On a proper showing, the court shall grant a permanent or temporary injunction, restraining order, or writ of mandamus. The court may not require the director to post a bond.

Sec. 2. Minnesota Statutes 2024, section 349.155, subdivision 3, is amended to read:

Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers, distributors, distributor salespersons, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) was convicted of a violation of section 609.7615 in the previous ten years;

~~(4)~~ (5) owes $500 or more in delinquent taxes as defined in section 270C.72;

~~(5)~~ (6) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

~~(6)~~ (7) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud; ~~or~~

(2) has ever been convicted of a crime involving gambling; or

(3) was convicted of a violation of section 609.7615 in the previous ten years.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;

(2) a contract for the purchase or sale at a future date of securities or other commodities, except as provided in section 609.7615;

(3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;

(4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

(5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;

(6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;

(7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and

(8) the purchase and sale of State Lottery tickets under chapter 349A.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 4. **[609.7615] PREDICTION MARKETS.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the physical proficiency of one or more players or participants. Athletic event includes horse racing as defined in section 240.01, subdivision 8.

(c) "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online.

(d) "Game of skill" means a game, match, or tournament, or a series of games, matches, and tournaments involving the dexterity or mental skill of one or more players or participants. Game of skill includes an esports event.

(e) "Prediction market" means a system that allows consumers to place a wager on the future outcome of a specified event that is not determined or affected by the performance of the parties to the contract, including but not limited to:

(1) an athletic event or game of skill, or portions thereof or individual performance statistics therein;

(2) any game played with cards, dice, equipment, or any mechanical or electronic device or machine;

(3) war, state or national emergencies, natural or human-made disasters, mass shootings, acts of terrorism, or public health crises, or the ancillary effects thereof;

(4) any event or events happening to a natural person or group of people;

(5) a federal, state, or local election, or the actions or conduct of the federal, state, or local government and the government's agencies, employees, and officers;

(6) legal actions, including but not limited to a civil or criminal suit, grand jury action, jury trial, settlement, plea, or conviction;

(7) the death, assassination, or attempted killing of a person or group of persons, or mass casualty events;

(8) the weather;

(9) events in popular culture, including but not limited to awards and the date a piece of entertainment will be released; and

(10) whether a person will make a particular statement.

(f) "Wager" means a contract, including a prediction market contract, whereby the parties to the contract agree to a gain or loss by one to the other of money, property, or benefit.

Subd. 2. **Prediction markets; hosting prohibited.** A person is guilty of a felony if the person, for consideration and as part of a business, directly or indirectly:

(1) creates a prediction market;

(2) operates, manages, or makes available a platform or system that allows consumers to make wagers in a prediction market;

(3) identifies or lists events for use in a prediction market;

(4) holds, controls, or directs the disposition of funds or other things of value used to enter into or settle wagers made in a prediction market;

(5) determines, administers, or enforces the terms, pricing, or settlement of wagers in a prediction market;

(6) regularly or continuously offers or enters into wagers with participants in a prediction market;

(7) sets, influences, or adjusts the prices, odds, or terms at which participants may enter into or exit wagers in a prediction market;

(8) acts, directly or indirectly, as a counterparty to participants' positions; or

(9) provides data, information, or verification services, including the provision of event outcomes to facilitate the conducting of an illegal activity under this section.

Subd. 3. **Prediction markets; advertising prohibited.** Whoever advertises or markets financial or technological products that promote transactions prohibited under this section is guilty of a felony.

Subd. 4. **Violation of cease and desist notice.** Any individual, applicant, entity, financial institution, payment processor, geolocation provider, gaming content supplier, third-party processor, platform provider, or media affiliate that continues to knowingly accept, facilitate, or process payments in connection with the participation of another person in unauthorized gaming activity after being issued a cease and desist letter from the director of alcohol and gambling enforcement under section 299L.03, subdivision 12, is guilty of a felony.

Subd. 5. **Exceptions.** Subdivision 2 does not apply to:

(1) activities that are not bets under section 609.75, subdivision 3; and

(2) contracts authorized and regulated under chapters 59A to 79A.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

Amend the title numbers accordingly

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

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

S.F. No. 4531: A bill for an act relating to mental health; appropriating money for mental health grants.

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

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

S.F. No. 281: A bill for an act relating to public safety; providing enhanced criminal penalty for certain violations of coercion crime that proximately cause great bodily harm or death of victim;

providing for public awareness campaign; amending Minnesota Statutes 2024, section 609.27, subdivision 2.

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 2024, section 609.27, subdivision 2, is amended to read:

Subd. 2. **Sentence.** (a) Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both if neither the pecuniary gain received by the violator nor the loss suffered by the person threatened or another as a result of the threat exceeds $300, or the benefits received or harm sustained are not susceptible of pecuniary measurement; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if such pecuniary gain or loss is more than $300 but less than $2,500; or

(3) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if such pecuniary gain or loss is $2,500, or more.

(b) A person who violates subdivision 1, clause (6), may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than $20,000, or both, if the violation is a substantial factor in the victim suffering great bodily harm.

(c) A person who violates subdivision 1, clause (6), may be sentenced to imprisonment for not more than 15 years, or to payment of a fine of not more than $30,000, or both, if the violation is a substantial factor in the victim suffering death.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, delete "providing for public awareness campaign;"

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. 1163: A bill for an act relating to public safety; establishing the Office of Animal Protection and providing for its duties; expanding the definition of crime of violence; appropriating money; amending Minnesota Statutes 2024, section 624.712, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 299P.

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

Page 1, line 20, delete "Animal cruelty is an ongoing occurrence throughout"

Page 1, line 21, delete everything before "The"

Page 5, line 19, delete "2025" and insert "2026"

Page 5, line 22, delete "$..... in fiscal year 2026 and" and delete "are" and insert "is"

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

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

S.F. No. 4543: A bill for an act relating to public safety; requiring the Bureau of Criminal Apprehension to perform background checks at the request of the Office of the Legislative Auditor; amending Minnesota Statutes 2025 Supplement, section 299C.76, subdivision 1.

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

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

S.F. No. 4775: A bill for an act relating to human services; adjustments to forecasted programs for the Department of Human Services and the Department of Children, Youth, and Families.

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

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

S.F. No. 4776: A bill for an act relating to human services; adjustments to forecasted programs for the Department of Human Services and the Department of Children, Youth, and Families.

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

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

S.F. No. 3298: A bill for an act relating to health; clarifying hospital closure provisions; amending Minnesota Statutes 2024, section 144.555, subdivisions 1a, 1b.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ACUPUNCTURE AND HERBAL MEDICINE PRACTICE

Section 1. Minnesota Statutes 2024, section 147B.01, is amended by adding a subdivision to read:

Subd. 2a. **Acupuncture.** (a) "Acupuncture" means a unique treatment technique that uses modern and traditional medical methods of diagnosis and treatment. Acupuncture includes the insertion of filiform or acupuncture needles through the skin and may include the use of other biophysical methods of acupuncture point stimulation, including the use of heat, massage, or manual therapy techniques or electrical stimulation. Acupuncture includes but is not limited to therapies termed "dry needling," "trigger point therapy," "intramuscular therapy," "auricular detox treatment," and similar terms referring to the insertion of needles past the skin for pain management, disease or symptom modification, or other related treatments.

(b) Nothing in this subdivision shall be construed to expand or restrict the existing scope of practice of other licensed health care professionals.

Sec. 2. Minnesota Statutes 2024, section 147B.01, subdivision 3, is amended to read:

Subd. 3. **Acupuncture and herbal medicine practice.** "Acupuncture and herbal medicine practice" means a unique and comprehensive system of primary health care ~~using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin and the use of other biophysical methods of acupuncture point stimulation, including the use of heat, Oriental massage techniques, electrical stimulation, herbal supplemental therapies, dietary guidelines, breathing techniques, and exercise based on Oriental medical principles~~ that uses traditional and modern diagnosis, methodology, and treatment techniques based on acupuncture and herbal medicine theory, principles, and methods. Treatment techniques include but are not limited to acupuncture, cupping, dermal friction, therapeutic massage, herbal therapies, dietary guidelines, mind-body exercises, and other appropriate techniques.

Sec. 3. Minnesota Statutes 2024, section 147B.01, subdivision 4, is amended to read:

Subd. 4. **Acupuncture needle.** "Acupuncture needle" means a needle designed exclusively for ~~acupuncture~~ the purposes of insertion past the skin to alleviate pain, provide symptom relief, or modulate disease processes. It has a solid core, with a tapered point, and is 0.12 mm to 0.45 mm in thickness. It is constructed of stainless steel, gold, silver, or other board-approved materials as long as the materials can be sterilized according to recommendations of the National Centers for Disease Control and Prevention.

Sec. 4. Minnesota Statutes 2024, section 147B.01, subdivision 9, is amended to read:

Subd. 9. **Breathing techniques.** "Breathing techniques" means ~~Oriental~~ breathing exercises taught to a patient as part of a treatment plan.

Sec. 5. Minnesota Statutes 2024, section 147B.01, subdivision 14, is amended to read:

Subd. 14. **Herbal therapies or herbal medicine.** "Herbal therapies" ~~are~~ or "herbal medicine" means the use of herbs and patent herbal remedies as supplements as part of the treatment plan of the patient.

Sec. 6. Minnesota Statutes 2024, section 147B.03, subdivision 2, is amended to read:

Subd. 2. **Board approval.** The board shall approve a continuing education program if the program meets the following requirements:

(1) it directly relates to the practice of acupuncture;

(2) each member of the faculty shows expertise in the subject matter by holding a degree or certificate from an educational institution, has verifiable experience in ~~traditional Oriental~~ acupuncture and herbal medicine, or has special training in the subject area;

(3) the program lasts at least one contact hour;

(4) there are specific written objectives describing the goals of the program for the participants; and

(5) the program sponsor maintains attendance records for four years.

Sec. 7. Minnesota Statutes 2024, section 147B.03, subdivision 3, is amended to read:

Subd. 3. **Continuing education topics.** (a) Continuing education program topics may include~~,~~ but are not limited to~~, Oriental medical~~ acupuncture and herbal medicine theory and techniques including ~~Oriental~~ massage; ~~Oriental~~ nutrition; ~~Oriental~~ herbology and diet therapy; ~~Oriental~~ exercise; ~~western sciences such as~~ anatomy, physiology, biochemistry, microbiology, psychology, ~~nutrition,~~ and history of medicine; and medical terminology or coding.

(b) Practice management courses are excluded under this section.

Sec. 8. Minnesota Statutes 2024, section 147B.05, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The advisory council to the Board of Medical Practice for acupuncture consists of seven members appointed by the board to three-year terms. Four members must be ~~licensed~~ acupuncture practitioners licensed in Minnesota, one member must be a licensed physician or osteopathic physician who also practices acupuncture, one member must be a licensed chiropractor who is NCCAOM certified, and one member must be a member of the public who has received acupuncture treatment as a primary therapy from a NCCAOM certified acupuncturist.

Sec. 9. Minnesota Statutes 2024, section 147B.06, subdivision 1, is amended to read:

Subdivision 1. **Practice standards.** (a) Before treatment of a patient, an acupuncture practitioner shall ask whether the patient has been examined by a licensed physician or other professional, as defined by section 145.61, subdivision 2, with regard to the patient's illness or injury, and shall review the diagnosis as reported.

(b) The practitioner shall obtain informed consent from the patient, after advising the patient of the following information which must be supplied to the patient ~~in writing~~ before or at the time of the initial visit:

(1) the practitioner's qualifications including:

(i) education;

(ii) license information; and

(iii) outline of the scope of practice of acupuncturists in Minnesota; and

(2) side effects which may include the following:

(i) some pain in the treatment area;

(ii) minor bruising;

(iii) infection;

(iv) needle sickness; or

(v) broken needles.

(c) The practitioner shall obtain acknowledgment by the patient in writing that the patient has been advised to consult with the patient's primary care physician about the acupuncture treatment if the patient circumstances warrant or the patient chooses to do so.

(d) The practitioner shall inquire whether the patient has a pacemaker or bleeding disorder.

Sec. 10. Minnesota Statutes 2025 Supplement, section 147B.06, subdivision 4, is amended to read:

Subd. 4. **Scope of practice.** The scope of practice of acupuncture and herbal medicine includes~~,~~ but is not limited to~~,~~ the following:

(1) ~~using Oriental medical theory to assess and diagnose a patient~~ evaluation, management, and treatment services using methods and techniques described in section 147B.01, subdivisions 2a, 3, and 14; and

(2) ~~using Oriental medical theory to develop a plan to treat a patient. The treatment techniques that may be chosen include:~~ diagnostic examination, testing, and procedures including physical examination, basic diagnostic imaging, and basic laboratory or other diagnostic tests for the purposes of guiding treatment within the scope of practice of acupuncture, herbal medicine, and herbal therapies, as described in section 147B.01, subdivisions 2a, 3, and 14. When results fall outside of the education, training, and expertise of the licensed acupuncturists, or suggest serious or emergent conditions, the acupuncturist must facilitate referrals to other appropriate health care providers;

~~(i) insertion of sterile acupuncture needles through the skin;~~

~~(ii) acupuncture stimulation including, but not limited to, electrical stimulation or the application of heat;~~

~~(iii) cupping;~~

~~(iv) dermal friction;~~

~~(v) acupressure;~~

~~(vi) herbal therapies;~~

~~(vii) dietary counseling based on traditional Chinese medical principles;~~

~~(viii) breathing techniques;~~

~~(ix) exercise according to Oriental medical principles; or~~

~~(x) Oriental massage.~~

(3) services included in the practice of acupuncture and herbal medicine, as defined in section 147B.01, subdivision 3;

(4) stimulation of acupuncture points, areas of the body, or substances in the body using acupuncture needles, heat, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, electromagnetic energy, suction, or other devices in accordance with acupuncture and herbal medicine training;

(5) use of physical medicine modalities, procedures, and devices such as cupping, dermal friction, acupressure, and massage, as described in section 147B.01, subdivisions 2a, 3, and 14;

(6) use of therapeutic exercises, breathing techniques, meditation, and biofeedback devices and other devices that utilize heat, cold, color, light, infrared and ultraviolet, low-level or cold lasers, sound, vibration, pressure, magnetism, electricity, and electromagnetic energy for therapeutic purposes; and

(7) general dietary guidance provided for wellness and supportive purposes that is consistent with the education and training of an acupuncture and herbal medicine practitioner.

Sec. 11. Minnesota Statutes 2024, section 147B.06, subdivision 5, is amended to read:

Subd. 5. **Patient records.** An acupuncturist shall maintain a patient record for each patient treated, including:

(1) a copy of the informed consent;

(2) evidence of a patient interview concerning the patient's medical history and current physical condition;

(3) evidence of ~~a traditional acupuncture~~ examination and diagnosis;

(4) record of the treatment including points treated; and

(5) evidence of evaluation and instructions given to the patient.

Sec. 12. **REPEALER.**

Minnesota Statutes 2024, section 147B.01, subdivision 18, is repealed.

ARTICLE 2

ATHLETIC TRAINER PRACTICE

Section 1. Minnesota Statutes 2024, section 148.7802, subdivision 6, is amended to read:

Subd. 6. **Athletic trainer.** "Athletic trainer" means a person who engages in athletic training under section 148.7806 and is licensed under section 148.7808. Athletic trainers practice in health care settings and serve patient populations as identified by the Board of Certification for the Athletic Trainer or its recognized successor and by approved education programs.

Sec. 2. Minnesota Statutes 2024, section 148.7802, is amended by adding a subdivision to read:

Subd. 6a. **Athletic training.** "Athletic training" means the following actions performed for the purpose of treating emergent, acute, and chronic injuries and nonorthopedic conditions and performed within the professional training and experience provided by an approved education program and included in an athletic trainer credentialing examination:

(1) risk reduction, wellness, and health literacy;

(2) assessment, evaluation, and diagnosis;

(3) critical incident management;

(4) therapeutic intervention; and

(5) health care administration and professional responsibility.

Sec. 3. Minnesota Statutes 2024, section 148.7806, is amended to read:

148.7806 ATHLETIC TRAINING.

~~Athletic training by a licensed athletic trainer under section 148.7808 includes the activities described in paragraphs (a) to (c).~~

(a) An athletic trainer shall~~:~~ perform athletic training under the supervision of, on the prescription of, and in collaboration with, a primary physician:

(1) who is licensed in Minnesota to practice medicine, as defined in section 147.081; and

(2) whose license is in good standing.

~~(1) prevent, recognize, and evaluate athletic injuries;~~

~~(2) give emergency care and first aid;~~

~~(3) manage and treat athletic injuries; and~~

~~(4) rehabilitate and physically recondition athletic injuries.~~

~~The~~ (b) An athletic trainer ~~may use modalities such as cold, heat, light, sound, electricity, exercise, and mechanical devices~~ must use therapeutic interventions within the training and experience of the athletic trainer according to section 148.7802, subdivision 6a for the treatment and rehabilitation of ~~athletic injuries to athletes in the primary employment site~~ patients.

~~(b)~~ (c) The primary physician shall establish evaluation and treatment protocols to be used by the athletic trainer. The primary physician shall record the protocols on a form prescribed by the board. The protocol form must be updated yearly at the athletic trainer's license renewal time and kept on file by the athletic trainer.

~~(c)~~ (d) At the primary employment site, ~~except in a corporate setting,~~ an athletic trainer may evaluate and treat ~~an athlete for an athletic injury~~ a patient who was not previously diagnosed for not more than 30 days~~, or a period of time as designated by the primary physician on the protocol form,~~ from the date of the initial evaluation and treatment. ~~Preventative care after resolution of the injury is~~ Prevention, wellness, education, exercise, and reconditioning are not considered treatment. This paragraph does not apply to a person who is referred for treatment by a person licensed in this state to practice medicine as defined in section 147.081~~,~~; to practice chiropractic as defined in section 148.01~~,~~; to practice physical therapy as defined in section 148.65, except as provided in paragraph (f); to practice podiatry as defined in section 153.01~~,~~; or to practice dentistry as defined in section 150A.05, and whose license is in good standing.

~~(d)~~ (e) An athletic trainer ~~may~~:

(1) may organize and administer an athletic training program, including~~,~~ but not limited to~~,~~ educating and counseling ~~athletes~~ patients;

(2) must monitor the signs, symptoms, general behavior, and general physical response of ~~an athlete~~ a patient to treatment and rehabilitation, including~~,~~ but not limited to~~,~~ whether the signs, symptoms, reactions, behavior, or general response show abnormal characteristics that require a change in the plan of care or a referral; and

(3) must make suggestions to the primary physician or other treating provider for a modification in the treatment and rehabilitation of ~~an injured athlete~~ a patient based on the indicators in clause (2).

~~(e)~~ (f) In a clinical, corporate, and physical therapy setting, when the service provided is, or is represented as being, physical therapy, an athletic trainer may work only under the direct supervision of a physical therapist as defined in section 148.65.

Sec. 4. Minnesota Statutes 2024, section 148.7807, is amended to read:

148.7807 LIMITATIONS ON PRACTICE.

(a) An athletic trainer must not practice or claim to practice medicine as defined in section 147.081; acupuncture as defined in section 147B.01; chiropractic as defined in section 148.01;

physical therapy as defined in section 148.65, except as provided under section 148.7806, paragraph (f); podiatry as defined in section 153.01; occupational therapy as defined in section 148.6404; or any other licensed or registered health care profession, unless the athletic trainer also holds the appropriate license or registration to practice that profession.

(b) If an athletic trainer determines that a patient's medical condition is ~~beyond~~ outside the scope of practice of that athletic trainer, the athletic trainer must refer the patient to a person licensed in this state to practice medicine as defined in section 147.081~~,~~; to practice chiropractic as defined in section 148.01~~,~~; to practice physical therapy as defined in section 148.65, except as provided under section 148.7806, paragraph (f); to practice podiatry as defined in section 153.01~~,~~; or to practice dentistry as defined in section 150A.05, and whose license is in good standing and in accordance with established evaluation and treatment protocols. An athletic trainer shall modify or terminate treatment of a patient that is not beneficial to the patient, or that is not tolerated by the patient.

Sec. 5. Minnesota Statutes 2024, section 148.7814, is amended to read:

148.7814 APPLICABILITY.

Sections 148.7801 to 148.7815 do not apply to ~~persons who are certified as~~ an athletic ~~trainers~~ trainer who is in Minnesota temporarily with an individual or group that is participating in a specific athletic event or series of athletic events if the athletic trainer is licensed, certified, or registered by another state or county, or is certified as an athletic trainer by the Board of Certification or the board's recognized successor ~~and come into Minnesota for a specific athletic event or series of athletic events with an individual or group~~.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 148.7802, subdivisions 4 and 5, are repealed.

ARTICLE 3

MASSAGE THERAPY AND ASIAN BODYWORK THERAPY REGISTRATION

Section 1. Minnesota Statutes 2024, section 144.0572, subdivision 1, is amended to read:

Subdivision 1. **Criminal history background check requirements.** (a) ~~Beginning January 1, 2018,~~ An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist ~~or~~, a speech-language pathologist, or a speech-language pathology assistant~~,~~; an applicant for initial massage therapist or Asian bodywork therapist registration; or an applicant for initial certification as a hearing instrument dispenser, must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI).

(b) Beginning January 1, 2020, an applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018, must submit to a criminal history records check of state data completed by the BCA and a national criminal history records check, including a search of the records of the FBI.

(c) An applicant must submit to a background study under chapter 245C.

(d) The criminal history records check must be structured so that any new crimes that an applicant ~~or~~, licensee, registrant, or certificate holder commits after the initial background check are flagged in the BCA's or FBI's database and reported back to the commissioner of human services.

Sec. 2. Minnesota Statutes 2024, section 146A.06, subdivision 3, is amended to read:

Subd. 3. **Exchanging information.** (a) The office shall establish internal operating procedures for:

(1) exchanging information with state boards; agencies, including the Office of Ombudsman for Mental Health and Developmental Disabilities; health-related and law enforcement facilities; departments responsible for licensing health-related occupations, facilities, and programs; and law enforcement personnel in this and other states; and

(2) coordinating investigations involving matters within the jurisdiction of more than one regulatory agency.

(b) The procedures for exchanging information must provide for the forwarding to the entities described in paragraph (a), clause (1), of information and evidence, including the results of investigations, that are relevant to matters within the regulatory jurisdiction of the organizations in paragraph (a). The data have the same classification in the hands of the agency receiving the data as they have in the hands of the agency providing the data.

(c) The office shall establish procedures for exchanging information with other states regarding disciplinary action against unlicensed complementary and alternative health care practitioners.

(d) The office shall forward to another governmental agency any complaints received by the office that do not relate to the office's jurisdiction but that relate to matters within the jurisdiction of the other governmental agency. The agency to which a complaint is forwarded shall advise the office of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule that the office is empowered to enforce must be forwarded to the office to be processed in accordance with this section.

(e) The office shall furnish to a person who made a complaint a description of the actions of the office relating to the complaint.

(f) Effective July 1, 2028, upon request by the commissioner, the office must share all complaint, investigatory, and disciplinary data regarding a named individual who has practiced or is practicing massage therapy or Asian bodywork therapy as an unlicensed complementary and alternative health care practitioner.

Sec. 3. Minnesota Statutes 2024, section 146A.09, is amended by adding a subdivision to read:

Subd. 8. **Registered massage therapists and Asian bodywork therapists.** Effective July 1, 2028, a person whose registration as a massage therapist or Asian bodywork therapist under sections 148.636 to 148.6377 has been suspended or revoked by the commissioner of health must not practice

as an unlicensed complementary and alternative health care practitioner under this chapter during a period of suspension or revocation.

Sec. 4. **[148.636] CITATION.**

Sections 148.636 to 148.6377 may be cited as the "Minnesota Massage Therapy and Asian Bodywork Therapy Act."

Sec. 5. **[148.6361] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 148.636 to 148.6377, the terms defined in this section have the meanings given unless the context clearly indicates otherwise.

Subd. 2. **Advisory council.** "Advisory council" means the Massage Therapy Advisory Council established under section 148.6376.

Subd. 3. **Applicant.** "Applicant" means an individual who has submitted an application to the commissioner according to sections 148.636 to 148.6377.

Subd. 4. **Asian bodywork therapy.** (a) "Asian bodywork therapy" means therapy based upon Chinese medical principles with the intent of promoting, maintaining, and restoring health and well-being by affecting the body.

(b) Asian bodywork therapy may use any of the following techniques:

(1) pressing;

(2) soothing;

(3) kneading;

(4) vibration;

(5) friction;

(6) passive stretching within the client's physiological range of motion;

(7) active assistive and resistive movement;

(8) stretching; and

(9) tapping, movement, exercising, or manipulation of the soft tissues.

(c) Methods of assessment and evaluation for Asian bodywork therapy must include a health history and intake interview; observation; listening; questioning; palpation; and with the client's permission or if the client is a minor, the permission of the client's legal guardian or parent, consultation with the client's other health care providers.

Subd. 5. **Client.** "Client" means a recipient of massage therapy services or Asian bodywork therapy services.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 7. **Contact hours.** "Contact hours" means the number of hours during which a student is engaged in learning activities provided by a training program approved by the advisory council. Contact hours include synchronous or asynchronous distance learning and in-person learning.

Subd. 8. **Credentialing examination.** "Credentialing examination" means an examination approved by the commissioner that meets recognized psychometric principles and standards and is administered by a national testing organization.

Subd. 9. **Massage therapy.** (a) "Massage therapy" means the manual manipulation of the soft tissues of the body to promote, maintain, and restore health and well-being.

(b) Massage therapy may use any of the following techniques:

(1) stroking;

(2) gliding;

(3) lifting;

(4) kneading;

(5) jostling;

(6) vibration;

(7) percussion;

(8) compression;

(9) friction;

(10) holding;

(11) passive stretching within the client's physiological range of motion;

(12) movement or manipulation of the soft tissues;

(13) active assistive and resistive movement; and

(14) stretching.

(c) Methods of assessment for massage therapy must include a health history and intake interview; observation of posture and movement; palpation; range of motion assessment; and with the client's permission or if the client is a minor, the permission of the client's legal guardian or parent, consultation with the client's other health care providers.

Subd. 10. **Municipality.** "Municipality" means a county, town, or home rule charter or statutory city.

Subd. 11. **Registered Asian bodywork therapist.** "Registered Asian bodywork therapist" means an individual who meets the qualifications in sections 148.636 to 148.6377 to use the protected titles for Asian bodywork therapists under section 148.6364 and is registered with the commissioner.

Subd. 12. **Registered massage therapist.** "Registered massage therapist" means an individual who meets the qualifications in sections 148.636 to 148.6377 to use the protected titles for massage therapists under section 148.6364 and is registered with the commissioner.

Subd. 13. **Registrant.** "Registrant" means an individual registered with the commissioner under sections 148.636 to 148.6377.

Sec. 6. **[148.6362] DUTIES OF THE COMMISSIONER.**

The commissioner shall:

(1) issue registrations to qualified applicants according to sections 148.636 to 148.6377;

(2) adopt rules, including standards of practice and a professional code of ethics, necessary to implement sections 148.636 to 148.6377;

(3) assign duties to the advisory council that are necessary to implement sections 148.636 to 148.6377;

(4) approve a credentialing examination;

(5) enforce sections 148.636 to 148.6377 and investigate violations of sections 148.636 to 148.6377 by a registrant or applicant;

(6) impose disciplinary action as described in section 148.6370;

(7) maintain a record of names and addresses of registrants; and

(8) distribute information regarding massage therapy and Asian bodywork therapy standards, including applications and forms necessary to carry out sections 148.636 to 148.6377.

Sec. 7. **[148.6363] LIMITATIONS ON PRACTICE.**

Subdivision 1. **Limitations.** The practice of massage therapy and Asian bodywork therapy does not include:

(1) performing examinations for the purpose of diagnosis;

(2) providing treatments that are outside the scope of massage therapy or Asian bodywork therapy practice;

(3) attempts to adjust, manipulate, or mobilize any articulation of the body or spine by the use of high-velocity, low-amplitude thrusting force;

(4) attempts to stimulate various points of the body by needle insertion or interruption of the cutaneous integrity by needle insertion to secure therapeutic relief of symptoms;

(5) prescriptive exercise;

(6) manual or mechanical traction when applied to the spine or extremities for the purposes of joint mobilization or manipulation;

(7) injection therapy;

(8) laser therapy;

(9) microwave diathermy;

(10) electrical stimulation;

(11) ultrasound;

(12) iontophoresis; or

(13) phonophoresis.

Subd. 2. **Referrals to other health care providers.** If a registered massage therapist or Asian bodywork therapist finds a client's medical condition is beyond the scope of practice established by sections 148.636 to 148.6377 for a registered massage therapist or Asian bodywork therapist, the therapist must refer the client to a licensed health care provider. Nothing in this subdivision prohibits the registered massage therapist or Asian bodywork therapist from continuing to comanage a client's care.

Sec. 8. **[148.6364] PROTECTED TITLES AND RESTRICTIONS ON USE.**

Effective January 1, 2028, no person shall use any of the terms or titles "registered massage therapist," "RMT," "registered Asian bodywork therapist," "RABT," or any other term or title that may lead the public to believe the person is a registered massage therapist or registered Asian bodywork therapist, unless the person is registered under sections 148.636 to 148.6377.

Sec. 9. **[148.6365] EXEMPTIONS; OTHER HEALTH CARE PROVIDERS.**

Subdivision 1. **Other professions.** Nothing in sections 148.636 to 148.6377 shall be construed to prohibit, restrict, or regulate the practice of any profession or occupation licensed or registered in the state by an individual licensed or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

Subd. 2. **Complementary and alternative health care practitioner.** Nothing in sections 148.636 to 148.6377 shall be construed to prohibit, restrict, or regulate the practice of any individual who is engaged in providing complementary and alternative health care practices as defined in section 146A.01, subdivision 4, provided that the practitioner does not use a protected title under section 148.6364 or advertise or imply that the practitioner is registered under sections 148.636 to 148.6377.

Sec. 10. **[148.6366] REQUIREMENTS FOR REGISTRATION.**

Subdivision 1. **General registration requirements.** (a) To be eligible for registration as a massage therapist or Asian bodywork therapist according to sections 148.636 to 148.6377, an applicant must submit to the commissioner:

(1) a completed application on a form provided by the commissioner that includes:

(i) the applicant's name, Social Security number, home address and telephone number, and business address and telephone number;

(ii) a list of credentials held by the applicant in this state or in any other jurisdiction;

(iii) a description of any jurisdiction's refusal to license or credential the applicant;

(iv) a description of all professional disciplinary actions initiated against the applicant in this state or any other jurisdiction;

(v) any misdemeanor, gross misdemeanor, or felony convictions; and

(vi) any other additional information requested by the commissioner;

(2) proof, as required by the commissioner, that the applicant has satisfactorily completed a postsecondary massage therapy program or Asian bodywork therapy program through a school or program that:

(i) is licensed by or registered with the Office of Higher Education or has conditional approval for a registered school and provisional license from the Office of Higher Education; and

(ii) meets the education and training requirements described under subdivision 2 or 3;

(3) proof of successful passage of a credentialing examination approved by the commissioner;

(4) proof, as required by the commissioner, of current professional liability insurance coverage or school liability insurance coverage, as applicable, with at least $2,000,000 of coverage per occurrence and $6,000,000 annual aggregate; and

(5) any applicable fees specified in section 148.6377.

(b) The applicant must submit to a criminal background check conducted in accordance with section 144.0572 and pay any fees associated with conducting the criminal background check.

(c) The applicant must sign the application certifying that the information in the application is true and correct to the best of the applicant's knowledge and authorizing the commissioner to obtain access to the applicant's records in this state or any other jurisdiction in which the applicant has engaged in the practice of massage therapy or Asian bodywork therapy.

Subd. 2. **Education and training requirements for massage therapy registration.** (a) An applicant for registration as a massage therapist under subdivision 1 whose application is received by the commissioner before July 1, 2031, must submit to the commissioner proof of satisfactorily completing a postsecondary program that meets the requirements in subdivision 1, paragraph (a), clause (2), item (i), and includes education and training in:

(1) anatomy;

(2) physiology;

(3) pathology;

(4) massage therapy;

(5) massage therapy history, theory, and research;

(6) professional ethics;

(7) therapeutic interpersonal communications and standards of practice;

(8) business and legal practices related to massage therapy; and

(9) supervised practice demonstrating safe use of equipment and supplies.

(b) An applicant for registration as a massage therapist under subdivision 1 whose application is received by the commissioner on or after July 1, 2031, must submit to the commissioner proof of satisfactorily completing a postsecondary massage therapy program that meets the requirements in subdivision 1, paragraph (a), clause (2), item (i), and either:

(1) has programmatic accreditation for massage therapy training programs from an agency recognized by the United States Department of Education; or

(2) includes at least 625 contact hours of education and training composed of 500 contact hours of instruction in the areas listed in paragraph (a) and 125 contact hours of student clinical practice.

(c) A program may require more than 625 total contact hours of education and training, and may require more than 125 hours of supervised clinical practice, if at least 500 contact hours are devoted to instruction in the subjects listed in paragraph (a).

(d) A student shall not begin a supervised clinical practice of massage therapy without student or professional liability insurance coverage of up to $2,000,000 per occurrence and $6,000,000 annual aggregate. The school or program may offer to the student, the student or professional liability insurance coverage required under this paragraph.

Subd. 3. **Education and training requirements for Asian bodywork therapy registration.** (a) An applicant for registration as an Asian bodywork therapist under subdivision 1 whose application is received by the commissioner before July 1, 2031, must submit to the commissioner proof of satisfactorily completing a postsecondary program that meets the requirements in subdivision 1, paragraph (a), clause (2), item (i), and includes education and training in:

(1) anatomy;

(2) physiology;

(3) pathology;

(4) Asian bodywork therapy;

(5) traditional Chinese medicine theory;

(6) Asian bodywork history, theory, and research;

(7) professional ethics;

(8) therapeutic interpersonal communications and standards of practice;

(9) business and legal practices related to Asian bodywork therapy; and

(10) supervised practice demonstrating safe use of equipment and supplies.

(b) An applicant for registration as an Asian bodywork therapist under subdivision 1 whose application is received by the commissioner on or after July 1, 2031, must submit to the commissioner proof of satisfactorily completing a postsecondary program that meets the requirements in subdivision 1, paragraph (a), clause (2), item (i), and either:

(1) has programmatic accreditation for Asian bodywork therapy training programs from an agency recognized by the United States Department of Education; or

(2) includes at least 625 contact hours of education and training composed of 500 contact hours of instruction in the areas listed in paragraph (a) and 125 contact hours of student clinical practice.

(c) An Asian bodywork therapy school or program may require more than 625 total contact hours of education and training, and may require more than 125 hours of supervised clinical practice, if at least 500 contact hours are devoted to instruction in the subjects listed in paragraph (a).

(d) A student shall not begin a supervised clinical practice of Asian bodywork therapy without providing proof to the Asian bodywork therapy school or program of professional liability insurance coverage of up to $2,000,000 per occurrence and $6,000,000 annual aggregate. The school or program may offer to the student the professional liability insurance coverage required under this paragraph.

Subd. 4. **Registration by endorsement.** (a) To be eligible for registration by endorsement, an applicant must:

(1) meet the requirements for registration in subdivision 1, with the exception of subdivision 1, paragraph (a), clauses (2) and (3);

(2) provide proof as required by the commissioner that the massage therapy training program or Asian bodywork therapy training program at the time of the applicant's enrollment met the postsecondary education requirements in the jurisdiction in which the program was provided; and

(3) provide proof as required by the commissioner, with advice from the advisory council, of a current and unrestricted equivalent credential in another jurisdiction that has qualification requirements at least equivalent to the requirements of sections 148.636 to 148.6377.

(b) Registrations by endorsement expire on the same schedule and must be renewed by the procedures described under section 148.6367, subdivision 2.

Subd. 5. **Registration by prior experience.** (a) To be eligible for registration by prior experience, an applicant must:

(1) meet the requirements for registration in subdivision 1, with the exception of subdivision 1, paragraph (a), clauses (2) and (3); and

(2) provide proof of experience in the practice of massage therapy or Asian bodywork therapy for at least two of the previous five years immediately preceding the registration application date.

(b) Registrations issued under this subdivision expire on the same schedule and must be renewed by the procedures described under section 148.6367, subdivision 2, unless the registration is canceled due to nonrenewal under section 148.6367, subdivision 8, in which case the individual must apply for a new registration under the initial registration requirements in subdivision 1.

(c) The application for registration by prior experience under this subdivision must be received by the commissioner before July 1, 2031.

Subd. 6. **Temporary registration.** (a) The commissioner may issue a temporary registration as a massage therapist or Asian bodywork therapist to an applicant eligible for registration under this section if the application for registration is complete, all applicable requirements have been met, and applicable fees have been paid. The temporary registration remains valid until the commissioner takes action on the applicant's application, or 90 days from the temporary registration's issuance, whichever is sooner.

(b) A temporary registration holder is considered a registrant for purposes of sections 148.6369 to 148.6374.

Sec. 11. **[148.6367] REGISTRATION RENEWAL.**

Subdivision 1. **Expiration of registration.** Registrations issued according to sections 148.636 to 148.6377 expire two years from the date of issuance.

Subd. 2. **Renewal.** To be eligible for registration renewal, an applicant must every two years, or as determined by the commissioner, submit to the commissioner:

(1) a completed renewal application on a form provided by the commissioner;

(2) any applicable fees specified in section 148.6377;

(3) proof of current professional liability coverage with at least $2,000,000 of coverage per occurrence and $6,000,000 annual aggregate; and

(4) any additional information requested by the commissioner to clarify information presented in the renewal application. The applicant must submit the information within 30 days after the commissioner's request, or the renewal application is canceled.

Subd. 3. **Continuing education.** (a) A registered massage therapist or Asian bodywork therapist must obtain continuing education in the two-year registration period.

(b) The commissioner must establish the number of continuing education hours a registered massage therapist or Asian bodywork therapist must complete each registration period and the activities that qualify as continuing education.

(c) A registered massage therapist or Asian bodywork therapist:

(1) may complete continuing education in person or online; and

(2) must complete the continuing education hours required in a registration period between the effective date and expiration date of the registration.

Subd. 4. **Change of address.** A registrant or applicant who changes addresses must inform the commissioner in writing within 30 days of the change of address. Notices or other correspondence mailed to or served on a registrant or applicant at the registrant's or applicant's current address on file are considered received by the registrant or applicant.

Subd. 5. **Registration renewal notice.** (a) At least 60 days before the registration's expiration date, the commissioner shall send out a renewal notice to the registrant. The notice must include:

(1) a renewal application;

(2) a notice of fees required for renewal; and

(3) information stating that the registration will expire without further action by the commissioner if a renewal application is not received before the deadline for renewal.

(b) The registrant's failure to receive the renewal notice does not relieve the registrant of the obligation to meet the deadline and other requirements for registration renewal. Failure to receive the notice is not grounds for challenging expiration of the registration.

Subd. 6. **Renewal deadline.** The renewal application and fee must be received by the commissioner or must be postmarked before the registration's expiration date. If the postmark is illegible, the application is timely if received by the third working day after the deadline.

Subd. 7. **Inactive status and return to active status.** (a) A registration may be placed in inactive status upon application to the commissioner by the registrant and upon payment of an inactive status fee as specified in section 148.6377. Failure to pay the annual inactive status fee shall result in a lapse of registration.

(b) A registrant seeking registration restoration to active status from inactive status must:

(1) apply to the commissioner for registration renewal according to subdivision 2;

(2) submit the applicable reactivation fee as specified in section 148.6377; and

(3) if the registration has been in inactive status for more than five years, submit evidence of having received a passing score on a credentialing examination.

Subd. 8. **Registration following lapse for two years or less.** To regain active registration status for a registration that has lapsed for two years or less, the applicant must:

(1) apply to the commissioner for registration renewal according to subdivision 2; and

(2) submit all applicable renewal fees for the period not registered, including the fee for late renewal.

Subd. 9. **Cancellation due to nonrenewal.** The commissioner shall not renew, reissue, reinstate, or restore a registration that has lapsed and has not been renewed within two years. An individual whose registration is canceled for nonrenewal must obtain a new registration by applying for registration and fulfilling all requirements under section 148.6366, subdivision 1, for initial registration as a massage therapist or Asian bodywork therapist.

Sec. 12. **[148.6368] COMMISSIONER ACTION ON APPLICATIONS.**

Subdivision 1. **General.** (a) The commissioner must act on each application for registration or renewal according to this section.

(b) The commissioner shall determine if the applicant meets the requirements for registration or renewal under section 148.6366 or 148.6367. The commissioner may investigate information provided by an applicant to determine whether the information is accurate and complete and may request additional information or documentation.

(c) The commissioner shall notify each applicant in writing of action taken on the application, the grounds for denying registration if registration is denied, and the applicant's right to review under paragraph (d).

(d) An applicant denied registration may make a written request to the commissioner within 30 days of the commissioner's notice to appear before the advisory council and for the advisory council to review the commissioner's decision to deny registration. After reviewing the denial, the advisory council shall make a recommendation to the commissioner as to whether the denial must be affirmed. Each applicant is allowed only one request for review per registration period.

Subd. 2. **Registration prohibited.** (a) Except as provided in paragraph (b), the commissioner shall deny an application for registration if an applicant:

(1) has been convicted in this state of any of the following crimes or of equivalent crimes in another state:

(i) labor or sex trafficking under section 609.281, 609.282, 609.283, or 609.322;

(ii) criminal sexual conduct under sections 609.342 to 609.3451 or 609.3453; or

(iii) a violent crime as defined under section 611A.08, subdivision 6;

(2) is a registered sex offender under section 243.166;

(3) has been subject to disciplinary action under section 146A.09, if the commissioner determines that such denial is necessary to protect the public; or

(4) is charged with or under investigation for a complaint in this state or any other jurisdiction that would constitute a violation of statutes or rules established for massage therapy or Asian

bodywork therapy registration in this state and the charge or complaint has not been resolved in favor of the applicant.

(b) The commissioner may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become registered if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for registration;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of one year has elapsed since the applicant was released from incarceration or supervisory jurisdiction related to the offense.

(c) The commissioner shall not consider an application under paragraph (b) if the commissioner determines that the victim involved in the offense was a client of the applicant at the time of the offense.

Sec. 13. **[148.6369] GROUNDS FOR DISCIPLINARY ACTION.**

Subdivision 1. **Grounds listed.** (a) The commissioner may deny, revoke, suspend, limit, or condition the registration of a registrant or may otherwise discipline a registrant. The fact that massage therapy or Asian bodywork therapy may be considered a less customary approach to health care must not by itself constitute the basis for disciplinary action.

(b) The following are grounds for disciplinary action regardless of whether injury to a client is established:

(1) failing to demonstrate the qualifications or to satisfy the requirements for registration under sections 148.636 to 148.6377 or rules of the commissioner. In the case of an applicant, the burden of proof is on the applicant to demonstrate the qualifications or satisfy the requirements;

(2) advertising in a false, fraudulent, deceptive, or misleading manner, including but not limited to:

(i) advertising or holding oneself out as a "registered massage therapist," "RMT," "registered Asian bodywork therapist," "RABT," or any abbreviation or derivation thereof to indicate such a title, when such registration is not valid or current for any reason;

(ii) advertising or holding oneself out as a "registered massage therapist," "registered Asian bodywork therapist," or any abbreviation or derivation thereof to indicate such a title, except if the individual holds a registration in another state or jurisdiction and does not provide services in Minnesota;

(iii) advertising a service, the provision of which would constitute a violation of sections 148.636 to 148.6377 or rules established by the commissioner; and

(iv) using fraud, deceit, or misrepresentation when communicating with the general public, health care providers, or other business professionals;

(3) falsifying information in a massage therapy or Asian bodywork therapy registration or renewal application; attempting to obtain registration, renewal, or reinstatement by fraud, deception, or misrepresentation; or aiding and abetting any of these acts;

(4) engaging in conduct with a client that is sexual or may reasonably be interpreted by the client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to a client, or engaging in sexual exploitation of a client, without regard to who initiates such behaviors;

(5) committing an act of gross malpractice, negligence, or incompetency, or failing to practice massage therapy or Asian bodywork therapy with the level of care, skill, and treatment that is recognized by a registrant as being acceptable under similar conditions and circumstances;

(6) having an actual or potential inability to practice massage therapy or Asian bodywork therapy with reasonable skill and safety to clients by reason of illness, as a result of any mental or physical condition, or use of alcohol, drugs, chemicals, or any other material. Being adjudicated as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, inside or outside of this state, may be considered evidence of an inability to practice massage therapy or Asian bodywork therapy;

(7) being the subject of disciplinary action as a massage therapist or Asian bodywork therapist in another state or jurisdiction if the commissioner or advisory council determines that the cause of the disciplinary action would be a violation under this state's statutes or rules of the commissioner had the violation occurred in this state;

(8) failing to notify the commissioner of revocation or suspension of a credential, or any other disciplinary action taken by this or any other state, territory, or country, including any restrictions on the right to practice; or the surrender or voluntary termination of a credential during a commissioner investigation of a complaint, as part of a disciplinary order, or while under a disciplinary order;

(9) conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to engaging in massage therapy practices or Asian bodywork therapy practices. Conviction, as used in this clause, includes a conviction for an offense that, if committed in this state, would be deemed a felony, gross misdemeanor, or misdemeanor regardless of its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered;

(10) if a registrant is on probation, failing to abide by terms of probation;

(11) practicing or offering to practice beyond the scope of the practice of massage therapy or Asian bodywork therapy;

(12) managing client records and information improperly, including but not limited to failing to maintain adequate client records, comply with a client's request made according to sections 144.291 to 144.298, or furnish a client record or report required by law;

(13) revealing a privileged communication from or relating to a client except when otherwise required or permitted by law;

(14) providing massage therapy services or Asian bodywork therapy services that are linked to the financial gain of a referral source;

(15) obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud;

(16) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws;

(17) failing to consult with a client's health care provider who prescribed a course of massage therapy treatment or Asian bodywork therapy treatment if the treatment needs to be altered from the original written order to conform with standards in the massage therapy or Asian bodywork therapy field or the registrant's level of training or experience;

(18) failing to cooperate with an investigation of the commissioner or the commissioner's representatives, including failing to: respond fully and promptly to any question raised by or on behalf of the commissioner relating to the subject of the investigation; execute all releases requested by the commissioner; provide copies of client records as reasonably requested by the commissioner to assist in the commissioner's investigation; and appear at conferences or hearings scheduled by the commissioner or the commissioner's staff;

(19) interfering with an investigation or disciplinary proceeding, including by willful misrepresentation of facts or by the use of threats or harassment to prevent a person from providing evidence in a disciplinary proceeding or any legal action;

(20) violating a statute, rule, order, or agreement for corrective action that the commissioner issued or is otherwise authorized or empowered to enforce;

(21) aiding or abetting a person in violating sections 148.636 to 148.6377;

(22) failing to report to the commissioner other massage therapists and Asian bodywork therapists who commit violations of sections 148.636 to 148.6377; and

(23) failing to notify the commissioner in writing of the entry of a final judgment by a court of competent jurisdiction against the registrant for malpractice of massage therapy or Asian bodywork therapy, or any settlement by the registrant in response to charges or allegations of malpractice of massage therapy or Asian bodywork therapy. The notice must be provided to the commissioner within 60 days after the entry of a judgment or date of settlement, and must contain the name of the court, case number, and the names of all parties to the action.

Subd. 2. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency must be admissible into evidence without further authentication and must constitute prima facie evidence of the violation.

Subd. 3. **Examination; access to medical data.** (a) The commissioner may take the following actions if the commissioner has probable cause to believe that grounds for disciplinary action exist under subdivision 1, paragraph (b), clause (6).

(b) The commissioner may direct the applicant or registrant to submit to a mental or physical examination or substance use disorder evaluation. For the purpose of this subdivision, when an applicant or registrant is directed in writing by the commissioner to submit to a mental or physical examination or substance use disorder evaluation, that applicant or registrant is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or registrant to submit to an examination when directed constitutes an admission of the allegations against the applicant or registrant, unless the failure was due to circumstances beyond the applicant's or registrant's control, and the commissioner may enter a default and final order without taking testimony or allowing evidence to be presented. A registrant affected under this paragraph shall, at reasonable intervals, be given an opportunity to demonstrate that the registrant can resume the competent practice of massage therapy or Asian bodywork therapy with reasonable skill and safety to clients. Neither the record of proceedings nor the orders entered by the commissioner in a proceeding under this paragraph may be used against a registrant in any other proceeding.

(c) The commissioner may, notwithstanding section 13.384, 144.651, or 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to an applicant or registrant without the applicant's or registrant's consent. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (i); an insurance company; or a government agency, including the Department of Human Services and Direct Care and Treatment. A provider, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision unless the information is false and the provider giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 14. **[148.6370] DISCIPLINARY ACTIONS.**

Subdivision 1. **Forms of disciplinary action.** When the commissioner finds that grounds for disciplinary action exist under section 148.6369, subdivision 1, the commissioner may take one or more of the following actions:

(1) deny the registration;

(2) revoke the registration;

(3) suspend the registration;

(4) impose limitations on the practice of massage therapy or Asian bodywork therapy, including but not limited to limitation of scope of practice or a requirement to practice under supervision;

(5) impose conditions on the retention of a registration, including but not limited to imposing retraining or rehabilitation requirements or conditioning continued practice on a demonstration of knowledge or skills by appropriate examination, monitoring, or other review;

(6) impose a civil penalty not exceeding $10,000 for each separate violation, the amount of the civil penalty (i) to be fixed as to deprive the massage therapist or Asian bodywork therapist of any

economic advantage gained by reason of the violation charged, (ii) to reimburse the commissioner for the cost of counsel, investigation, and proceeding, and (iii) to discourage repeated violations;

(7) order the registrant to provide unremunerated service;

(8) censure or reprimand the registrant; or

(9) any other action justified by the facts of the case.

Subd. 2. **Automatic suspension.** (a) Unless the commissioner orders otherwise, a registration is automatically suspended if:

(1) a guardian for the registrant is appointed by order of a court under sections 524.5-101 to 524.5-502;

(2) the registrant is committed by order of a court under chapter 253B; or

(3) the registrant is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside this state.

(b) A registration suspended under this subdivision remains suspended until the registrant is restored to capacity by a court and, upon petition by the registrant, the suspension is terminated by the commissioner after a hearing or upon agreement between the commissioner and the registrant.

Subd. 3. **Temporary suspension.** In addition to any other remedy provided by law, the commissioner, acting through a person to whom the commissioner has delegated this authority and without a hearing, may temporarily suspend the registration of a massage therapist or Asian bodywork therapist if the commissioner's delegate finds that the registrant has violated a statute or rule that the commissioner is empowered to enforce and that continued practice would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the registrant specifying the statute or rule violated. The order remains in effect until the commissioner issues a final order in the matter after a hearing or upon agreement between the commissioner and the registrant. Service of the order is effective if the order is served on the registrant or counsel of record personally or by first class mail. Within ten days of service of the order, the commissioner shall hold a hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension. Evidence presented by the commissioner or registrant shall be in affidavit form only. The registrant or the counsel of record may appear for oral argument. Within five working days after the hearing, the commissioner shall issue the commissioner's order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The commissioner shall issue a final order within 30 days after receipt of that report.

Subd. 4. **Hearings.** If the commissioner proposes to take action against the applicant or registrant as described in subdivision 1, the commissioner must first notify the applicant or registrant against whom the action is proposed to be taken and provide the applicant or registrant with an opportunity to request a hearing under the contested case provisions of chapter 14. If the applicant or registrant does not request a hearing by notifying the commissioner within 30 days after service of the notice of the proposed action, the commissioner may proceed with the action without a hearing.

Subd. 5. **Reissuance.** The commissioner may reinstate and reissue a registration, but as a condition may impose any disciplinary or corrective measure that the commissioner might originally have imposed. Any person whose registration has been revoked, suspended, or limited may have the registration reinstated when, in the discretion of the commissioner, the action is warranted, provided that the person shall be required by the commissioner to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the registration and reinstatement of the registration and to pay the fee for the current registration period. The cost of proceedings shall include but not be limited to the cost paid by the commissioner to the Court of Administrative Hearings and the Office of the Attorney General for legal and investigative services, the costs of a court reporter and witnesses, reproduction of records, and Department of Health staff time, travel, and expenses.

Sec. 15. **[148.6371] REPORTING OBLIGATIONS.**

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for disciplinary action relating to massage therapy or Asian bodywork therapy under sections 148.636 to 148.6377 may report the violation to the commissioner.

Subd. 2. **Institutions.** A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the commissioner any action taken by the agency, institution, or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a registrant's privilege to practice or treat clients in the institution or, as part of the organization, any denial of privileges or any other disciplinary action for conduct that might constitute grounds for disciplinary action under sections 148.636 to 148.6377. The institution, organization, or governmental entity shall also report the resignation of a registrant prior to the conclusion of any disciplinary action proceeding for conduct that might constitute grounds for disciplinary action under sections 148.636 to 148.6377 or prior to the commencement of formal charges but after the registrant had knowledge that formal charges were contemplated or were being prepared.

Subd. 3. **Professional societies.** A state or local professional society for massage therapists or Asian bodywork therapists shall report to the commissioner any termination, revocation, or suspension of membership or any other disciplinary action taken against a registrant. If the society has received a complaint that might be grounds for disciplinary action under sections 148.636 to 148.6377 against a member for whom the society has not taken any disciplinary action, the society shall report the complaint and the reason the society has not taken action on the complaint to the commissioner, or shall direct the complainant to the commissioner.

Subd. 4. **Licensed health professionals.** (a) For purposes of this subdivision, "client" means an individual receiving health services from a licensed health professional.

(b) A licensed health professional shall report to the commissioner personal knowledge of any conduct by a registrant that the licensed health professional reasonably believes constitutes grounds for disciplinary action under sections 148.636 to 148.6377, including conduct indicating that the individual may be incompetent or may be mentally or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is a registrant, and the treating individual successfully counsels the client to limit or withdraw from

practice to the extent required by the impairment, the commissioner may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

Subd. 5. **Insurers.** (a) Four times each year as prescribed by the commissioner, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), that provided professional liability insurance to massage therapists or Asian bodywork therapists, or the Joint Underwriting Association under chapter 62I shall submit to the commissioner a report concerning the registrants against whom malpractice settlements or awards have been made. The report must contain at least the following information:

(1) the total number of malpractice settlements or awards made;

(2) the dates the malpractice settlements or awards were made;

(3) the allegations contained in the claims or complaints leading to the settlements or awards made;

(4) the dollar amount of each malpractice settlement or award;

(5) the regular address of the practice of each registrant against whom an award was made or with whom a settlement was made; and

(6) the name of each registrant against whom an award was made or with whom a settlement was made.

(b) In addition to the information specified in paragraph (a), the insurer shall submit to the commissioner any information, records, and files, including client charts and records, the insurer possesses that tend to substantiate a charge that a registrant may have engaged in conduct that violates sections 148.636 to 148.6377.

Subd. 6. **Courts.** The court administrator of district court or any other court of competent jurisdiction shall report to the commissioner any judgment or other determination of the court that adjudges or includes a finding that a registrant is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of abuse or fraud under Medicare or Medicaid; that appoints a guardian of a registrant under sections 524.5-101 to 524.5-502; or that commits a registrant under chapter 253B.

Subd. 7. **Self-reporting.** A registrant shall report to the commissioner:

(1) any personal action that would require a report to be filed under subdivisions 2 to 5 by any person, health care facility, business, or organization;

(2) the revocation, suspension, restriction, limitation, or other disciplinary action against the registrant's license, certificate, registration, or right of practice in another state or jurisdiction for offenses that would subject the registrant to disciplinary action in this state; and

(3) the filing of charges regarding their license, certificate, registration, or right of practice in another state or jurisdiction.

Subd. 8. **Deadlines; forms.** Reports required in subdivisions 2 to 5 and 7 must be submitted no later than 30 days after the reporter learns of the occurrence of the reportable event or transaction. The commissioner may provide forms for the submission of reports required in this section, may require reports to be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting.

Sec. 16. **[148.6372] IMMUNITY.**

Subdivision 1. **Reporting.** Any health care facility, business, organization, or person, other than the registrant who committed the violation, is immune from civil liability or criminal prosecution for submitting a report to the commissioner, for otherwise reporting to the commissioner violations or alleged violations of sections 148.636 to 148.6377, or for cooperating with an investigation of a report, except as provided in this subdivision. Any person who knowingly or recklessly makes a false report is liable in a civil suit for any damages suffered by the person or persons so reported and for any punitive damages set by the court or jury. An action requires clear and convincing evidence that the defendant made the statement with knowledge of falsity or with reckless disregard for its truth or falsity. The report or statement or any statement made in cooperation with an investigation or as part of a disciplinary proceeding is privileged except in an action brought under this subdivision.

Subd. 2. **Investigation.** The commissioner and employees of the Department of Health and other persons engaged in the investigation of violations and in the preparation, presentation, and management of and testimony pertaining to charges of violations of sections 148.636 to 148.6377 are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under sections 148.636 to 148.6377.

Sec. 17. **[148.6373] COOPERATION.**

(a) A registrant who is the subject of an investigation by or on behalf of the commissioner shall cooperate fully with the investigation. Cooperation includes:

(1) responding fully and promptly to any question raised by or on behalf of the commissioner relating to the subject of the investigation;

(2) providing copies of client or other records in the registrant's possession, as reasonably requested by the commissioner, to assist the commissioner in the investigation; and

(3) appearing at conferences and hearings scheduled by the commissioner.

(b) The commissioner shall pay for copies requested. If the commissioner does not have a written consent from a client permitting access to the client's records, the registrant shall delete any data in the record that identify the client before providing data to the commissioner. The commissioner shall maintain any records obtained pursuant to this section as investigative data under chapter 13. The registrant shall not be excused from giving testimony or producing any documents, books, records, or correspondence on the grounds of self-incrimination, but the testimony or evidence may not be used against the registrant in any criminal case.

Sec. 18. **[148.6374] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any disciplinary action taken by the commissioner under sections 148.636 to 148.6377, the reviewing court shall seal the administrative record, except for the commissioner's final decision, and shall not make the administrative record available to the public.

Sec. 19. **[148.6375] EFFECT ON MUNICIPAL ORDINANCES.**

Subdivision 1. **License authority.** Effective July 1, 2028, sections 148.636 to 148.6377 preempt the licensure and regulation of massage therapists or Asian bodywork therapists by a municipality, including, without limitation, conducting a criminal background investigation and examination of a massage therapist or Asian bodywork therapist, or applicant for a municipality's credential to practice massage therapy or Asian bodywork therapy.

Subd. 2. **Municipal regulation.** Sections 148.636 to 148.6377 do not limit a municipality from:

(1) requiring a massage therapy or Asian bodywork therapy establishment to obtain a business license or permit to conduct business in the municipality; or

(2) conducting a criminal background investigation on any owners of a massage therapy or Asian bodywork therapy establishment who are not registered massage therapists or registered Asian bodywork therapists.

Sec. 20. **[148.6376] MASSAGE THERAPY ADVISORY COUNCIL.**

Subdivision 1. **Creation; membership.** (a) The Massage Therapy Advisory Council is created and is composed of five members appointed by the commissioner. All members must have resided in this state for at least three years immediately preceding appointment. The advisory council consists of:

(1) two public members, as defined in section 214.02; and

(2) three members who are registered under sections 148.636 to 148.6377, two of whom must be registered massage therapists.

(b) No more than one member of the advisory council may be an owner or administrator of a massage therapy education provider.

Subd. 2. **Administration.** The advisory council is established and administered under section 15.059.

Subd. 3. **Chair.** The advisory council shall elect a chair from among its members.

Subd. 4. **Duties.** The advisory council shall:

(1) advise the commissioner on establishing standards of practice and a code of ethics for registered massage therapists and Asian bodywork therapists;

(2) advise the commissioner on distributing information regarding massage therapy and Asian bodywork therapy practice standards;

(3) establish educational requirements, approve massage therapy and Asian bodywork therapy schools or programs, and conduct or provide for surveys of schools, programs, and courses; and

(4) perform other duties authorized for advisory councils under chapter 214, as directed by the commissioner.

Subd. 5. **Expiration.** Notwithstanding section 15.059, the advisory council does not expire.

Sec. 21. **[148.6377] FEES.**

Subdivision 1. **Fees.** Fees are as follows:

(1) initial registration with application fee must not exceed $285;

(2) biennial registration renewal fee must not exceed $185;

(3) late fee, $50;

(4) annual inactive status, $50;

(5) inactive to active status reactivation, $50;

(6) temporary registration, $50; and

(7) returned check, $35.

Subd. 2. **Late renewal fee.** An application for registration renewal submitted after the deadline must be accompanied by a late fee in addition to the required fees.

Subd. 3. **Nonrefundable fees.** All of the fees in this section are nonrefundable.

Subd. 4. **Deposit.** Fees collected by the commissioner under this section must be deposited into the state government special revenue fund.

Sec. 22. **INITIAL MASSAGE THERAPY ADVISORY COUNCIL.**

Subdivision 1. **Initial member appointments.** The commissioner of health shall make the initial appointments to the Massage Therapy Advisory Council authorized under Minnesota Statutes, section 148.6376, by January 1, 2027. The initial therapist members appointed to the advisory council need not be registered under Minnesota Statutes, sections 148.636 to 148.6377, prior to initial appointment, but must be a practicing massage therapist or Asian bodywork therapist with at least five years of experience in the practice of massage therapy or Asian bodywork therapy. A massage therapist or Asian bodywork therapist initially appointed to the advisory council must become registered under Minnesota Statutes, sections 148.636 to 148.6377, by January 1, 2028. If the massage therapist or Asian bodywork therapist member does not become registered by January 1, 2028, the member must be removed from the advisory council by the commissioner and a new member who is registered under Minnesota Statutes, sections 148.636 to 148.6377, must be appointed by the commissioner.

Subd. 2. **First advisory council meeting; initial chair.** The commissioner of health shall designate one member from the initial appointments to call the first meeting of the advisory council. The first meeting must be convened by May 15, 2027. The advisory council shall elect a chair from its members at the first advisory council meeting.

ARTICLE 4

MORTUARY SCIENCE

Section 1. Minnesota Statutes 2024, section 149A.02, subdivision 26, is amended to read:

Subd. 26. **Intern.** "Intern" means an individual ~~that~~ who: (1)(i) has met the educational and testing requirements for a license to practice mortuary science in Minnesota~~,~~; (ii) has completed a mortuary science program accredited by the American Board of Funeral Service Education; or (iii) is enrolled in a mortuary science program accredited by the American Board of Funeral Service Education; (2) has registered with the commissioner of health~~,~~; and (3) is engaged in the practice of mortuary science under the direction and supervision of a currently licensed Minnesota mortuary science practitioner.

Sec. 2. Minnesota Statutes 2024, section 149A.20, subdivision 6, is amended to read:

Subd. 6. **Internship.** (a) A person ~~who attains a passing score on both examinations in subdivision 5~~ must complete a registered internship under the direct supervision of an individual currently licensed to practice mortuary science in Minnesota. ~~Interns must file with the commissioner:~~ A person may begin the registered internship while the person is enrolled in a mortuary science program accredited by the American Board of Funeral Service Education, upon completion of the accredited mortuary science program, or after attaining a passing score on both examinations in subdivision 5.

(b) An applicant for an internship must file with the commissioner:

(1) the appropriate fee; ~~and~~

(2) a registration form indicating the name and home address of the ~~intern,~~ applicant; the date the internship begins~~, and~~; the name, license number, and business address of the primary supervising mortuary science licensee~~.~~; and the name, license number, and business address of the alternate supervising mortuary science licensee, if applicable; and

(3) if the applicant is currently enrolled in a mortuary science program accredited by the American Board of Funeral Service Education, a letter from the program specifying the name and address of the program; verifying the applicant's enrollment, number of credit hours completed, and anticipated graduation date; and specifying whether the applicant has completed coursework in embalming and restorative arts.

~~(b)~~ (c) Any changes in information provided in the registration must be immediately reported to the commissioner. The internship shall be a minimum of 2,080 hours to be completed ~~within a three-year period, however,~~ during enrollment in a mortuary science program accredited by the American Board of Funeral Service Education, after graduation, or both during enrollment and after graduation. The commissioner may waive up to 520 hours of the internship time requirement upon

satisfactory completion of a clinical or practicum in mortuary science administered through the program of mortuary science of the University of Minnesota or a ~~substantially similar~~ mortuary science program ~~approved by the commissioner~~ accredited by the American Board of Funeral Service Education. Registrations must be renewed on an annual basis if they exceed one calendar year. During the internship period, the intern must be under the direct supervision of a person holding a current license to practice mortuary science in Minnesota. An intern may be registered under only one registered primary supervising licensee and one registered alternate supervising licensee at any given time and may be directed and supervised only by the registered primary supervising licensee or registered alternate supervising licensee. The registered primary supervising licensee shall have only one intern registered at any given time. The commissioner shall issue to each registered intern a registration permit that must be displayed with the other establishment and practice licenses. While under the direct supervision of the registered primary supervising or alternate supervising licensee, the intern must complete 25 case reports in each of the following areas: embalming, funeral arrangements, and services. An intern who has not completed coursework in embalming and restorative arts must be in the physical presence of the primary or alternate supervising licensee in order to perform surgical procedures and embalming. Case reports, on forms provided by the commissioner, shall be completed by the intern and filed with the commissioner prior to the completion of the internship. Information contained in these reports that identifies the subject or the family of the subject embalmed or the subject or the family of the subject of the funeral shall be classified as licensing data under section 13.41, subdivision 2.

Sec. 3. Minnesota Statutes 2024, section 149A.20, subdivision 7, is amended to read:

Subd. 7. **Application procedure and documentation.** After completing the registered internship, the applicant for an initial license to practice mortuary science must submit to the commissioner a complete application and the appropriate fee. A complete application includes:

(1) a completed application form, as provided by the commissioner;

(2) proof of age;

(3) an official transcript from each post high school educational institution attended, including colleges of funeral service education;

(4) certification of a passing score on the National Board Examination from the commissioner of the Conference of Funeral Service Examining Boards of the United States, Inc.;

(5) a copy of the notification of a passing score on the state licensing examination; and

(6) a signed, dated, and notarized affidavit from the registered primary supervising licensee who supervised the Minnesota internship stating the date the internship began and ended and that both the applicant and the registered primary supervising licensee fulfilled the requirements under subdivision 6.

Upon receipt of the completed application and appropriate fee, the commissioner shall review and verify all information. Upon completion of the verification process and resolution of any deficiencies in the application information, the commissioner shall make a determination, based on all the information available, to grant or deny licensure. If the commissioner's determination is to grant licensure, the applicant shall be notified and the license shall issue and remain valid for a

period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner's determination is to deny licensure, the commissioner must notify the applicant, in writing, of the denial and provide the specific reason for the denial.

Sec. 4. Minnesota Statutes 2024, section 149A.30, subdivision 1, is amended to read:

Subdivision 1. **Licensees of other states.** (a) The commissioner may issue a reciprocal license to practice mortuary science to a person who holds a current license or other credential from another jurisdiction if the ~~commissioner determines that the requirements for that license or other credential are substantially similar to the requirements under this chapter. The individual seeking reciprocal licensing must~~ person:

(1) ~~attain~~ attains:

(i) a passing score on the Minnesota state licensing examination; and

(ii) a passing score on the National Board Examination administered by the International Conference of Funeral Service Examining Boards of the United States, Inc., or another examination determined by the commissioner to adequately and accurately assess the knowledge and skills required to practice mortuary science;

(2) ~~submit~~ submits to the commissioner the documentation described in section 149A.20, subdivision 7, clauses (1) and (5), and certification of a passing score on an examination described in clause (1), item (ii); ~~and~~

(3) ~~pay~~ pays the appropriate licensing fee~~.~~;

(4) submits to the commissioner:

(i) documentation that the person meets one of the educational requirements in section 149A.20, subdivision 4; or

(ii) documentation that the person has been licensed or credentialed in another jurisdiction and a signed, dated affidavit from the person declaring that the person has engaged in at least three years of practice in that jurisdiction performing the duties of a licensed mortician;

(5) submits to the commissioner a signed, dated affidavit from the person declaring that the person is not subject to any pending investigations by the mortuary science licensing or credentialing authority in any other jurisdiction and is not currently practicing as a licensed mortician in any other jurisdiction under a restricted license or credential;

(6) submits to the commissioner a signed, dated affidavit from the person declaring that the person has performed at least 25 services, completed at least 25 funeral arrangements, and performed at least 25 embalming cases; and

(7) submits to the commissioner documentation that the person has completed the continuing education hours required under section 149A.40, subdivision 11, within the two-year period prior to applying for licensure under this subdivision.

(b) When, in the determination of the commissioner, all of the requirements of this subdivision have been met, the commissioner shall, based on all the information available, grant or deny licensure. If the commissioner grants licensure, the applicant shall be notified and the license shall issue and remain valid for a period prescribed on the license, but not to exceed one calendar year from the date of issuance of the license. If the commissioner denies licensure, the commissioner must notify the applicant, in writing, of the denial and provide the specific reason for denial.

ARTICLE 5

MUSIC THERAPY LICENSURE

Section 1. Minnesota Statutes 2024, section 144.0572, subdivision 1, is amended to read:

Subdivision 1. **Criminal history background check requirements.** (a) ~~Beginning January 1, 2018,~~ An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist ~~or~~, speech-language pathologist, music therapist, a speech-language pathology assistant, or ~~an~~ applicant for initial certification as a hearing instrument dispenser, must submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI).

(b) ~~Beginning January 1, 2020,~~ An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, music therapist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018, must submit to a criminal history records check of state data completed by the BCA and a national criminal history records check, including a search of the records of the FBI.

(c) An applicant must submit to a background study under chapter 245C.

(d) The criminal history records check must be structured so that any new crimes that an applicant or licensee or certificate holder commits after the initial background check are flagged in the BCA's or FBI's database and reported back to the commissioner of human services.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 2. **[148H.01] SCOPE.**

Sections 148H.01 to 148H.16 apply to individuals who are applicants for licensure, who are licensed, who use protected titles, or who represent that they are licensed as music therapists.

Sec. 3. **[148H.02] DEFINITIONS.**

Subdivision 1. **Scope.** The following terms have the meanings given them and apply to this chapter.

Subd. 2. **Advisory council.** "Advisory council" means the Music Therapy Advisory Council established in section 148H.03.

Subd. 3. **Board-certified music therapist.** "Board-certified music therapist" means an individual who holds a current board certification from the Certification Board for Music Therapists.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health or a designee.

Subd. 5. **License or licensed.** "License" or "licensed" means the act or status of a person who meets the requirements of general licensure under section 148H.06, temporary licensure under section 148H.08, or licensure by reciprocity under section 148H.09.

Subd. 6. **Licensed professional music therapist or LPMT.** "Licensed professional music therapist" or "LPMT" means an individual licensed to practice music therapy pursuant to this chapter.

Subd. 7. **Music-based interventions.** (a) "Music-based interventions" means the use of music within a therapeutic relationship to accomplish individualized goals for persons of all ages and abilities.

(b) Music-based interventions include but are not limited to music improvisation, receptive music listening, song writing, lyric discussion, music and imagery, singing, music performance, learning through music, music combined with other arts, music-assisted relaxation, music-based patient education, electronic music intervention, and movement to music.

Subd. 8. **Practice of music therapy.** (a) "Practice of music therapy" means the use of music-based interventions.

(b) The practice of music therapy includes but is not limited to developing individualized music therapy treatment plans specific to the needs and strengths of the client or clients treated individually or in groups in a manner appropriate for the specific client and setting.

(c) The practice of music therapy does not include the screening, diagnosis, or assessment of any physical, mental, or communication disorder.

Subd. 9. **Temporary licensure.** "Temporary licensure" means the method of licensure described in section 148H.08, by which an individual who has completed an approved or accredited education program, but has not met the examination requirements, may practice music therapy on a temporary basis.

Sec. 4. **[148H.03] MUSIC THERAPY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The Music Therapy Advisory Council is hereby established to:

(1) advise the commissioner regarding music therapy licensure standards;

(2) advise the commissioner regarding enforcement of this chapter;

(3) review investigation summaries of competency violations and make recommendations to the commissioner as to whether the allegations of incompetency are substantiated;

(4) provide for the distribution of information regarding music therapist licensure standards;

(5) review applications and make recommendations to the commissioner on granting or denying licensure or licensure renewal;

(6) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether licensure should be denied or disciplinary action should be taken against the individual; and

(7) perform other duties, as directed by the commissioner.

Subd. 2. **Membership.** The commissioner shall appoint six members to the Music Therapy Advisory Council consisting of the following:

(1) three professional music therapists licensed under this chapter who must be employed in a different practice area or employment setting and must include:

(i) at least one licensed professional music therapist member who is currently engaged and for five years immediately preceding their appointment has been engaged in the practice of music therapy in Minnesota; and

(ii) at least one licensed professional music therapist member employed outside the seven-county metropolitan area; and

(2) three public members as defined in section 214.02 who must include:

(i) two public members who are either personally receiving music therapy services or are family members of or caregivers to a person receiving music therapy services; and

(ii) at least one public member who is a professional from a related profession, including but not limited to the professions of speech-language pathology, registered hospice nursing, special education services, and psychology.

Subd. 3. **Administration.** (a) The advisory council is organized and administered under section 15.059.

(b) Upon request of the advisory council, the commissioner must provide meeting space and administrative services for the council.

(c) The members of the advisory council must elect a chair from members of the advisory council at the initial meeting.

Subd. 4. **Term limits.** Advisory council members must not serve for more than two full consecutive terms.

Subd. 5. **Recommendations for appointment.** The Music Therapy Association of Minnesota and other interested persons and organizations may recommend to the commissioner members qualified for appointment to fill a vacancy or anticipated vacancy to the council. Recommendations under this subdivision must be communicated to the commissioner no later than 60 days after a position on the board becomes vacant. The commissioner may appoint members to the board from the list of persons recommended or from among other qualified candidates.

Subd. 6. **Initial Music Therapy Advisory Council.** (a) The first music therapist members appointed to the Music Therapy Advisory Council need not be licensed under this chapter but must meet the qualifications for licensure under section 148H.06. The commissioner shall make the initial appointments to the Music Therapy Advisory Council by August 1, 2027.

(b) The commissioner shall convene the first meeting of the Music Therapy Advisory Council by September 1, 2027.

Subd. 7. **Expiration.** Notwithstanding section 15.059, the advisory council does not expire.

Sec. 5. **[148H.04] UNAUTHORIZED PRACTICE; PROTECTED TITLES; EXEMPT PERSONS.**

Subdivision 1. **Unlicensed practice prohibited.** Effective January 1, 2028, an individual must be licensed as a music therapist under this chapter to practice music therapy.

Subd. 2. **Protected titles and restrictions on use.** (a) Use of the term "licensed music therapist," "music therapist," "licensed professional music therapist," "LPMT," or similar titles or terms to indicate or imply that the person is licensed by the state as a music therapist is prohibited unless that person is licensed under this chapter.

(b) Use of the term "board-certified music therapist" or similar titles or terms to indicate or imply that the person is certified by the Certification Board for Music Therapists is prohibited unless the person is licensed under this chapter and holds a valid certification from the Certification Board for Music Therapists.

Subd. 3. **Exempt persons.** This chapter does not apply to:

(1) any person who is licensed, registered, or certified under the laws of this state in another profession or occupation who is performing services including the use of music incidental to the practice of that profession or occupation in which the person is licensed, registered, or certified if the person does not represent themselves to the public as a music therapist. This exception includes but is not limited to licensed physicians, psychologists, registered nurses, advance practice registered nurses, professional counselors, social workers, occupational therapists, alcohol and drug counselors, speech-language pathologists, audiologists, or personnel supervised by a licensed professional;

(2) a person employed as a music therapist by the government of the United States or any federal agency. A person who is exempt under this clause may use the protected titles identified in subdivision 2, but only in connection with performing official duties for the federal government;

(3) the practice of music therapy as an integral part of a program of study for students enrolled in an accredited music therapy program;

(4) a person who practices music therapy under the supervision of a licensed professional music therapist, if the person is not represented to the public as a music therapist; or

(5) a person who is trained and certified by a nationally accredited certifying organization as a music healing professional and who practices within the scope of the specific training and certification

of the specific music healing profession, if the person is not represented to the public as a music therapist.

Sec. 6. **[148H.05] LICENSURE QUALIFICATIONS.**

(a) An applicant for licensure must comply with the relevant application requirements for general licensure under section 148H.06, temporary licensure under section 148H.08, or licensure by reciprocity under section 148H.09.

(b) To qualify for licensure, an applicant must not be subject to denial of licensure under section 148H.15 and must satisfy one of the following:

(1) meet the general licensure requirements in section 148H.06;

(2) meet the temporary licensure requirements in section 148H.08; or

(3) meet the licensure by reciprocity requirements in section 148H.09.

Sec. 7. **[148H.06] GENERAL LICENSURE REQUIREMENTS.**

(a) An applicant for licensure must:

(1) be 18 years of age or older;

(2) have completed all academic and fieldwork to obtain a bachelor's degree or higher in music therapy, or its equivalent, from a music therapy program at a college or university approved or accredited by the American Music Therapy Association; and

(3) have passed the examination for board certification offered by the Certification Board for Music Therapists or any successor organization or have been transitioned into board certification.

(b) The applicant is responsible for making all arrangements and incurring all expenses for taking the board certification examination under paragraph (a), clause (3). The applicant must send their examination scores under paragraph (a), clause (3), directly to the commissioner.

Sec. 8. **[148H.07] GENERAL APPLICATION PROCEDURES.**

Subdivision 1. **Application for general licensure.** (a) An applicant for general licensure must submit:

(1) a completed application in writing on a form prescribed by the commissioner;

(2) documentation of current board certification by the Certification Board of Music Therapists;

(3) a signed statement attesting that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) a waiver authorizing the commissioner to obtain access to the applicant's professional records in this or any other state in which the applicant has practiced music therapy;

(5) all relevant fees required under section 148H.16;

(6) a fingerprint-based background check as required under section 144.0572; and

(7) any other information requested by the commissioner.

(b) An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

Subd. 2. **Application form requirements.** The application form for licensure must include, at a minimum, the applicant's:

(1) name;

(2) board certification number;

(3) business address and telephone number, or home address and telephone number if the applicant practices music therapy out of the applicant's home; and

(4) education, training, and experience, including previous work history for the five years immediately preceding the date of application.

Subd. 3. **Action on application for licensure.** (a) The commissioner shall act on all applications for licensure. The commissioner shall approve, approve with conditions, or deny an application. The commissioner shall address an application according to paragraphs (b) to (e).

(b) The commissioner shall determine if the applicant meets the requirements for licensure. The commissioner or the advisory council may investigate information provided by the applicant to determine whether the information is accurate and complete.

(c) The commissioner shall not issue a license to an applicant who refuses to consent to a background study within 90 days after the submission of an application or who fails to submit fingerprints to the Department of Human Services. The applicant forfeits any fees paid to the Department of Health if the applicant refuses to consent to a background study.

(d) The commissioner shall notify the applicant by electronic notification as required under sections 15.991 to 15.992 of the action taken on the application and, if licensure is denied or approved with conditions, the grounds for the commissioner's determination.

(e) An applicant denied licensure or granted licensure with conditions may make a written request to the commissioner, within 30 days of the date of the commissioner's determination, for reconsideration of the commissioner's determination. An applicant requesting reconsideration may submit information that the applicant wants considered in the reconsideration. After reconsideration of the commissioner's determination, the commissioner shall determine whether the original determination is affirmed or modified. An applicant is allowed no more than one request for reconsideration of the commissioner's determination to deny licensure or approve licensure with conditions in any two-year period.

Subd. 4. **Reconsideration** (a) If a provisional licensee whose music therapy license has been denied or extended with conditions disagrees with the conclusions of the commissioner, the provisional licensee may request a reconsideration by the commissioner. The reconsideration request process must be conducted internally by the commissioner and chapter 14 does not apply.

(b) The provisional licensee requesting the reconsideration must make the request in writing and must list and describe the reasons why the provisional licensee disagrees with the decision to deny the music therapy license or the decision to extend the provisional license with conditions.

(c) The reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the provisional licensee receives the denial or provisional license with conditions.

Sec. 9. **[148H.08] TEMPORARY LICENSURE.**

Subdivision 1. **Eligibility for temporary licensure.** The commissioner shall issue a temporary license to practice music therapy to applicants who submit all required information and fees required by subdivision 2 and who are not the subject of a current or past disciplinary action or disqualified based on actions listed under section 148H.15.

Subd. 2. **Application for temporary licensure.** (a) An applicant for temporary licensure must submit:

(1) a completed application for temporary licensure on forms provided by the commissioner;

(2) any applicable fees under section 148H.16; and

(3) evidence of one of the following:

(i) completion of all academic and fieldwork requirements of a college or university program for music therapists that is approved or accredited by the American Music Therapy Association and either (1) the initiation of sitting for the board certification exam for the first time, or (2) sitting to retake the board certification exam after receiving a failing score;

(ii) a copy of a current and unrestricted credential to practice music therapy in another jurisdiction; or

(iii) a copy of a current and unrestricted certificate from the Certification Board for Music Therapists stating that the applicant is certified as a music therapist.

(b) An applicant for temporary licensure under paragraph (a), clause (3), item (ii) or (iii), must provide an affidavit with the application for temporary licensure stating that the applicant is not the subject of a pending investigation or disciplinary action and has not been the subject of a past disciplinary action.

Subd. 3. **Qualifying examination requirements; expiration and renewability.** (a) An individual issued a temporary license must demonstrate to the commissioner successful completion of the qualifying examination requirements under section 148H.06 within the temporary licensure period. It is the temporary license holder's obligation to submit to the commissioner the temporary license holder's qualifying examination score. A temporary license holder who fails to submit a qualifying examination score within the temporary licensure period is subject to disciplinary action pursuant to section 148H.15.

(b) A temporary license issued under this section expires 12 months from the date of issuance or on the date the commissioner grants or denies licensure, whichever occurs first.

(c) A temporary license is not renewable.

Sec. 10. **[148H.09] LICENSURE BY RECIPROCITY.**

The commissioner shall issue a license to an applicant for a music therapy license if an applicant has submitted:

(1) an application in a form and manner prescribed by the commissioner, accompanied by applicable fees under section 148H.16;

(2) evidence satisfactory to the commissioner that the applicant is licensed and in good standing as a music therapist in another jurisdiction where the qualifications required are equivalent to or higher than those required in this chapter at the date of application;

(3) letters of verification from each other jurisdiction in which the applicant has practiced music therapy in the last five years including the following information:

(i) the applicant's name;

(ii) the applicant's date of birth;

(iii) the applicant's credential number in that jurisdiction;

(iv) the date and terms of issuance of the credential in that jurisdiction; and

(v) a statement regarding disciplinary actions, if any, taken against the applicant; and

(4) a fingerprint-based background check as required under section 144.0572.

Sec. 11. **[148H.10] CONTINUING EDUCATION REQUIREMENTS.**

(a) Upon obtaining initial board certification, licensees and applicants must engage in continuing education.

(b) The five-year cycle for completing continuing education requirements begins a year after a licensee or applicant passes the examination for board certification offered by the Certification Board for Music Therapists or any successor organization.

(c) An applicant must include proof of completion of Continuing Music Therapy Education (CMTE) requirements with their certification from the Certification Board for Music Therapists or any successor organization each time they renew their license to practice music therapy.

Sec. 12. **[148H.11] RENEWAL OF LICENSE; LICENSE LAPSE.**

Subdivision 1. **Renewal requirements.** To be eligible for license renewal, a licensee must submit:

(1) a completed and signed application for license renewal on a form provided by the commissioner;

(2) the renewal fee required under section 148H.16;

(3) proof that the licensee has met and maintained the continuing education requirements under section 148H.10 and board certification as a board-certified music therapist; and

(4) additional information as requested by the commissioner to clarify information presented in the renewal application. The applicant for license renewal must submit any additional information requested by the commissioner within 30 calendar days of the request.

Subd. 2. **Renewal deadline.** (a) Licenses must be renewed every two years. The effective date of a renewed license is the day following the expiration date of the expired license.

(b) Each license must state an expiration date.

(c) A completed application for license renewal must be received by the commissioner at least 30 days before the license expiration date.

(d) A completed application for license renewal not received within the time required under paragraph (c), but received on or before the expiration date, must be accompanied by a late fee in addition to the renewal fee in section 148H.16.

Subd. 3. **Licensure renewal notice.** At least 60 calendar days before the expiration date in subdivision 2, the commissioner must send a renewal notice to the licensee's email address on file with the commissioner. The notice must include information on how to apply for licensure renewal and notice of fees required for renewal. The licensee's failure to receive the notice does not relieve the licensee of the obligation to meet the renewal deadline and other requirements for licensure renewal.

Subd. 4. **Failure to renew.** (a) If a licensee fails to renew a license, the license lapses. The license may be restored within four years of the expiration date upon completion of the requirements in subdivision 1 and payment of the late fee in section 148H.16.

(b) A person who requests reinstatement of a lapsed license more than four years after the license expiration date is required to reapply for licensure as a new applicant and must comply with the requirements for new licensees at the time of application.

Sec. 13. **[148H.12] CHANGE OF NAME, ADDRESS, OR EMPLOYMENT.**

A licensee who changes their name, address, employment, business address, or business telephone number must inform the commissioner of the change in writing within 30 days of the change. A change in name must be accompanied by a copy of a marriage certificate or court order. All notices or other correspondence mailed to or served on the licensee by the commissioner at the licensee's address on file with the commissioner is considered received by the licensee.

Sec. 14. **[148H.13] PRACTICE OF MUSIC THERAPY.**

Subdivision 1. **Referrals.** A licensed music therapist may accept referrals for music therapy services from medical, developmental, mental health, or education professionals; family members; clients; caregivers; or others involved and authorized to provide services to the client.

Subd. 2. **Assessment.** A licensed music therapist must conduct a music therapy assessment of a client to determine if treatment is indicated. If treatment is indicated, the licensee must collect

systematic, comprehensive, and accurate information to determine the appropriateness and type of music therapy services to provide the client.

Subd. 3. **Knowledge and skill.** A licensed music therapist must use appropriate knowledge and skills when providing music therapy services, including the use of research, reasoning, and problem-solving skills to determine appropriate actions in the context of each specific clinical setting.

Subd. 4. **Treatment plan.** A licensed music therapist must develop an individualized music therapy treatment plan for the client based on the results of the music therapy assessment under paragraph (c). The music therapy treatment plan must include individualized goals and objectives that focus on the assessed needs and strengths of the client and must specify music therapy approaches and interventions to be used to address the goals and objectives. The individualized music therapy treatment plan must be consistent with any other developmental, rehabilitative, habilitative, medical, mental health, preventive, wellness care, or educational services being provided to the client.

Subd. 5. **Evaluation; client progress.** A licensed music therapist shall evaluate on an ongoing basis the client's response to music therapy and to the music therapy treatment plan, document the client's progress, and make modifications to the plan, as appropriate. A licensed music therapist shall determine when music therapy services are no longer needed in collaboration with the client, the client's health care provider or providers, family members of the client, and other appropriate individuals upon whom the client relies for support.

Subd. 6. **Communication with client and others.** A licensed music therapist shall collaborate with and educate the client and the client's family, caregiver, and any other appropriate individual regarding the needs of the client being addressed in music therapy and the manner in which the music therapy treatment addresses those needs. A licensed music therapist shall minimize any barriers to ensure that the client receives music therapy services in the least restrictive environment.

Sec. 15. **[148H.14] REVIEW OF CLIENT DOCUMENTATION; COLLABORATION WITH OTHER TREATING PROFESSIONALS.**

Subdivision 1. **Review of diagnosis, treatment, and educational plans.** Before a licensed professional music therapist provides music therapy services to a client for an identified clinical or developmental need, the music therapist shall review the client's diagnosis, treatment needs, and treatment plan with any care or support team involved in the client's care. Before a licensed professional music therapist provides music therapy services to a client for an identified educational need in a special education setting, the music therapist shall review the student's diagnosis, treatment needs, and any treatment plan with the individualized family care team or individualized education program team.

Subd. 2. **Collaboration with treatment team.** During the provision of music therapy services to a client, the licensed professional music therapist shall collaborate as applicable with the client's treatment team, including the client's physician, psychologist, licensed clinical social worker, or other mental health professional.

Subd. 3. **Collaboration with and services provided by an audiologist or speech-language pathologist.** (a) During the provision of music therapy services to a client with a communication disorder, the licensed professional music therapist shall collaborate and discuss the music therapy

treatment plan with the client's audiologist or speech-language pathologist before a licensed professional music therapist is permitted to work with the client and address communication skills.

(b) When providing educational or health care services, a licensed professional music therapist must not replace the services provided by an audiologist or a speech-language pathologist. Unless authorized to practice speech-language pathology, licensed professional music therapists must not evaluate, examine, instruct, or counsel on speech, language, communication, or swallowing disorders and conditions.

(c) An individual licensed as a licensed professional music therapist must not represent to the public that the individual is authorized to treat a communication disorder. This does not prohibit an individual licensed as a professional music therapist from representing to the public that the individual may work with clients who have a communication disorder and address communication skills.

Sec. 16. **[148H.15] GROUNDS FOR DENIAL OF LICENSURE AND DISCIPLINE; DISCIPLINARY ACTION.**

Subdivision 1. **Grounds for denial of license or discipline.** The commissioner may revoke, suspend, deny, approve with conditions, or refuse to issue or renew a license, or may discipline a licensee using any of the disciplinary actions listed in subdivision 3, on evidence that the individual has:

(1) intentionally submitted false or misleading information to the commissioner;

(2) failed, within 30 days, to provide information in response to a written request by the board;

(3) performed services of a licensed professional music therapist in an incompetent or negligent manner or in a manner that falls below the community standard of care;

(4) violated sections 148H.01 to 148H.16;

(5) aided or abetted another person in violating any provision of sections 148H.01 to 148H.16;

(6) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(7) been convicted of violating any state or federal law, rule, or regulation which directly relates to the practice of music therapy;

(8) been disciplined for conduct in the practice of an occupation by the state of Minnesota, another jurisdiction, or a national professional association, if any of the grounds for discipline are the same or substantially equivalent to those in sections 148H.01 to 148H.16;

(9) not cooperated with the board in an investigation conducted according to subdivision 2;

(10) advertised in a manner that is false or misleading;

(11) engaged in dishonest, unethical, or unprofessional conduct in connection with the practice of music therapy that is likely to deceive, defraud, or harm the public;

(12) demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(13) provided intervention, other than music therapy, without being licensed to do so under the laws of this state;

(14) paid or promised to pay a commission or part of a fee to any person who contacts the licensed professional music therapist for consultation or sends patients to the music therapist for intervention;

(15) engaged in an incentive payment arrangement, other than that prohibited by clause (14), that promotes music therapy overutilization, whereby the referring person or person who controls the availability of music therapy services to a client profits unreasonably as a result of client intervention;

(16) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(17) obtained money, property, or services from a consumer using undue influence, high-pressure sales tactics, harassment, duress, deception, or fraud;

(18) performed services for a client who had no possibility of benefiting from the services;

(19) failed to refer a client for medical evaluation when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(20) engaged in conduct with a client that is sexual or may reasonably be interpreted by a client as sexual, or in any verbal behavior that is sexual or sexually demeaning to a patient;

(21) violated a federal or state court order, including a conciliation court judgment, or a disciplinary order issued by the board, related to the person's music therapy practice; or

(22) any other just cause related to the practice of music therapy.

Subd. 2. **Investigation of complaints.** The commissioner may initiate an investigation upon receiving a complaint or other oral or written communication that alleges or implies that a person has violated any part of this chapter.

Subd. 3. **Disciplinary actions.** If the commissioner finds that a licensed professional music therapist has engaged in any action listed in subdivision 1, the commissioner may take one or more of the following actions:

(1) refuse to grant or renew a license;

(2) approve licensure with conditions;

(3) revoke licensure;

(4) suspend licensure;

(5) any reasonable lesser action, including but not limited to reprimand or restriction on licensure;

(6) any action authorized by statute; or

(7) impose a civil penalty not to exceed $10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the licensed professional music therapist of any economic advantage gained by reason of the violation charged, to discourage similar violations, or to reimburse the Department of Health for the cost of the investigation and proceeding, including but not limited to fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, advisory council or Department of Health staff time, and travel costs and expenses incurred by advisory council staff and members and Department of Health staff.

Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the commissioner denying licensure renewal or upon notice that the commissioner imposed disciplinary action and the person is no longer entitled to practice music therapy and use the music therapy and licensed titles, the person shall cease to practice music therapy, to use titles protected by section 148H.04, and to represent to the public that the person is licensed by the commissioner.

Subd. 5. **Reinstatement requirements after disciplinary action.** A person who has had licensure suspended may request and provide justification for reinstatement following the period of suspension specified by the commissioner. The requirements of section 148H.11 for renewing licensure and any other conditions imposed with the suspension must be met before licensure may be reinstated.

Sec. 17. **[148H.16] FEES.**

Subdivision 1. **Licensing fees.** (a) Licensing fees shall not exceed the following amounts:

(1) initial licensure fee, $.....;

(2) temporary licensure fee, $75;

(3) licensure renewal fee, $100;

(4) licensure renewal late fee, $115;

(5) license verification, $25; and

(6) duplicate license fee, $20.

(b) Fees are nonrefundable.

(c) Fees received under this chapter shall be deposited in the state government special revenue fund.

Subd. 2. **Penalty fees.** (a) The penalty fee for practicing music therapy or using protected titles without a current license after the credential has expired and before it is renewed is $100 for any part of the first month, plus $100 for any part of any subsequent month up to 12 months.

(b) The penalty fee for applicants who engage in the unauthorized practice of music therapy or use protected titles before being issued a license is $200 for any part of the first month, plus $200

for any part of any subsequent month up to six months. This paragraph does not apply to applicants not qualifying for a license who engage in the unauthorized practice of music therapy.

(c) For conduct described in paragraph (a) or (b) exceeding six months, payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

ARTICLE 6

PHYSICIAN ASSISTANT PRACTICE

Section 1. Minnesota Statutes 2024, section 147A.01, subdivision 18, is amended to read:

Subd. 18. **Physician ~~assistant~~ associate or licensed physician ~~assistant~~ associate.** "Physician ~~assistant~~ associate" or "licensed physician ~~assistant~~ associate" means a person licensed pursuant to this chapter who meets the qualifications in section 147A.02.

Sec. 2. Minnesota Statutes 2024, section 147A.03, subdivision 1, is amended to read:

Subdivision 1. **Protected titles.** No individual may use the titles "Minnesota Licensed Physician Associate," "Licensed Physician Associate," "Physician Associate," "Minnesota Licensed Physician Assistant," "Licensed Physician Assistant," "Physician Assistant," or "PA" in connection with the individual's name, or any other words, letters, abbreviations, or insignia indicating or implying that the individual is licensed by the state unless they have been licensed according to this chapter.

Sec. 3. Minnesota Statutes 2024, section 147A.03, is amended by adding a subdivision to read:

Subd. 5. **Title revision.** (a) Notwithstanding any other provisions of law, a physician assistant must be titled a "physician associate" in Minnesota Statutes and Minnesota Rules. The terms "physician associate," "physician assistant," and "PA" are synonymous, and all rights and responsibilities of a physician assistant in Minnesota Statutes must continue uninterrupted and unchanged.

(b) The title change to "physician associate" under paragraph (a) does not expand the scope of practice for a professional licensed under this chapter.

(c) All persons or entities employing, coordinating treatment with, following orders from, training, educating, or contracting with an individual licensed as a physician associate under this chapter or educating an individual enrolled in an accredited physician assistant or physician associate educational program shall continue this relationship without interruption or alteration as a result of the title change under paragraph (a). No person or entity shall discriminate against any individual in contract, employment, or otherwise solely as a result of an individual's change of title described in paragraph (a). This paragraph applies to persons and entities that include but are not limited to:

(1) hospitals or other health care facilities;

(2) physicians;

(3) malpractice insurance carriers;

(4) the federal government; and

(5) third-party payors, including but not limited to commercial insurers, health maintenance organizations, and the Minnesota medical assistance program.

Sec. 4. **DIRECTION TO COMMISSIONERS AND BOARDS.**

The commissioners of health and human services, and health-related licensing boards, as defined in Minnesota Statutes, section 214.01, subdivision 2, if applicable, must, as soon as practicable in the normal course of business, make conforming amendments to active versions of commissioner or board guidance, documents, and forms within the commissioners' and boards' jurisdiction reflecting the change of title described in Minnesota Statutes, section 147A.03, subdivision 5. The commissioners and boards may take all further action necessary to reflect the change of title described in Minnesota Statutes, section 147A.03, subdivision 5.

Sec. 5. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "physician assistant" and applicable variants to "physician associate" and applicable variants wherever the term appears in Minnesota Statutes and Minnesota Rules. The revisor may make grammatical and conforming changes related to the term change.

ARTICLE 7

BOARD OF SOCIAL WORK

Section 1. Minnesota Statutes 2024, section 148E.065, subdivision 4a, is amended to read:

Subd. 4a. **City, county, and state social workers.** (a) Beginning July 1, 2016, the licensure of city, county, and state agency social workers is voluntary, except an individual who is newly employed by a city or state agency after July 1, 2016, must be licensed if the individual who provides social work services, as those services are defined in section 148E.010, subdivision 11, paragraph (b), is presented to the public by any title incorporating the words "social work" or "social worker."

(b) Beginning July 1, 2026, a county agency social worker who does not hold a baccalaureate degree or graduate degree in social work or who is not licensed under this chapter must not be presented to the public by any title incorporating the words "social work" or "social worker," unless the individual was employed by the county agency prior to July 1, 2027. This paragraph is not grounds for the modification or removal of any right or benefit accrued under a collective bargaining agreement ratified before July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 148E.195, subdivision 2a, is amended to read:

Subd. 2a. **Representations.** Effective July 1, 2016:

(a) No applicant or other individual may be represented to the public by any title incorporating the words "social work" or "social worker" unless the individual is employed by a county and meets the requirements under section 148E.065, subdivision 4a, or holds a license according to this chapter.

(b) In all professional use of a social worker's name, the social worker must use the license designation "LSW" or "licensed social worker" for a licensed social worker, "LGSW" or "licensed

graduate social worker" for a licensed graduate social worker, "LISW" or "licensed independent social worker" for a licensed independent social worker, or "LICSW" or "licensed independent clinical social worker" for a licensed independent clinical social worker.

(c) Public statements or advertisements must not be untruthful, misleading, false, fraudulent, deceptive, or potentially exploitative of clients, former clients, interns, students, supervisees, or the public.

(d) A social worker must not:

(1) use licensure status as a claim, promise, or guarantee of successful service;

(2) obtain a license by cheating or employing fraud or deception;

(3) make false statements or misrepresentations to the board or in materials submitted to the board; or

(4) engage in conduct that has the potential to deceive or defraud a social work client, intern, student, supervisee, or the public.

Sec. 3. Minnesota Statutes 2024, section 148E.280, is amended to read:

148E.280 USE OF TITLES.

No individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual is employed by a county and meets the requirements under section 148E.065, subdivision 4a, or holds a license under this chapter.

ARTICLE 8

DENTISTRY PRACTICE

Section 1. Minnesota Statutes 2024, section 150A.01, subdivision 6a, is amended to read:

Subd. 6a. **Faculty dentist.** "Faculty dentist" means a person who is licensed to practice dentistry as a faculty member of a ~~school of dentistry~~ dental education program, pursuant to section 150A.06, subdivision 1a.

Sec. 2. Minnesota Statutes 2024, section 150A.05, subdivision 1, is amended to read:

Subdivision 1. **Practice of dentistry.** A person shall be deemed to be practicing dentistry within the meaning of sections 150A.01 to 150A.12:

(1) who uses a dental degree, or designation, or card, device, directory, sign, or other media whereby the person represents an ability to diagnose, treat, prescribe, or operate for any disease, pain, deformity, deficiency, injury, or physical condition of the human tooth, teeth, alveolar process, gums or jaw, or adjacent or associated structures;

(2) who is a manager, proprietor, operator or conductor of a place where dental operations are performed;

(3) who performs dental operations of any kind gratuitously, or for a fee, gift, compensation or reward, paid or to be paid, to any person or agency;

(4) who uses a roentgen or x-ray machine for dental treatment, roentgenograms or for dental diagnostic purposes;

(5) who extracts a human tooth or teeth, or corrects or attempts to correct malpositions of the human teeth or jaws;

(6) who offers and undertakes, by any means or method, to diagnose, treat or remove stains or accretions from human teeth or jaws;

(7) who takes impressions of the human tooth, teeth, or jaws or performs any phase of any operation incident to the replacement of a part of a tooth, a tooth, teeth or associated tissues by means of a filling, a crown, a bridge, a denture or other appliance;

(8) who furnishes, supplies, constructs, reproduces, repairs, or offers to furnish, supply, construct, reproduce or repair prosthetic dentures or plates, bridges or other substitutes for natural teeth, to the user or prospective user thereof; or

(9) who performs any clinical operation included in the curricula of recognized dental ~~schools and colleges~~ education programs.

Sec. 3. Minnesota Statutes 2024, section 150A.05, subdivision 2, is amended to read:

Subd. 2. **Exemptions and exceptions of certain practices and operations.** Sections 150A.01 to 150A.12 do not apply to:

(1) the practice of dentistry or dental hygiene in any branch of the armed services of the United States, the United States Public Health Service, or the United States Veterans Administration;

(2) the practice of dentistry, dental hygiene, or dental assisting by undergraduate dental students, dental therapy students, dental hygiene students, and dental assisting students of the University of Minnesota~~, schools of dentistry~~ or dental or allied dental education programs that are accredited by the Commission on Dental Accreditation (CODA), ~~schools of dental hygiene, schools with a dental therapy education program, or schools of dental assisting approved by the board,~~ when acting under the indirect supervision of a Minnesota licensed dentist and under the instruction of a licensed dentist, licensed dental therapist, licensed dental hygienist, or licensed dental assistant;

(3) the practice of dentistry by licensed dentists of other states or countries while appearing as clinicians under the auspices of a duly approved dental ~~school or college~~ education program, or a reputable dental society, or a reputable dental study club composed of dentists;

(4) the actions of persons while they are taking examinations for licensure administered or approved by the board pursuant to sections 150A.03, subdivision 1, and 150A.06, subdivisions 1, 2, and 2a;

(5) the practice of dentistry by dentists and dental hygienists licensed by other states during their functioning as examiners responsible for conducting licensure examinations administered by regional and national testing agencies with whom the board is authorized to affiliate and participate under section 150A.03, subdivision 1, and the practice of dentistry by the regional and national testing agencies during their administering examinations pursuant to section 150A.03, subdivision 1;

(6) the use of x-rays or other diagnostic imaging modalities for making radiographs or other similar records in a hospital under the supervision of a physician or dentist or by a person who is credentialed to use diagnostic imaging modalities or x-ray machines for dental treatment, roentgenograms, or dental diagnostic purposes by a credentialing agency other than the Board of Dentistry; or

(7) the service, other than service performed directly upon the person of a patient, of constructing, altering, repairing, or duplicating any denture, partial denture, crown, bridge, splint, orthodontic, prosthetic, or other dental appliance, when performed according to a written work order from a licensed dentist or a licensed advanced dental therapist in accordance with section 150A.10, subdivision 3.

Sec. 4. Minnesota Statutes 2024, section 150A.06, subdivision 1, is amended to read:

Subdivision 1. **Dentists.** A person of good moral character who has graduated from a dental education program accredited by the Commission on Dental Accreditation, having submitted an application and fee as prescribed by the board, may be examined by the board or by an agency pursuant to section 150A.03, subdivision 1, in a manner to test the applicant's fitness to practice dentistry. A graduate of a dental ~~college~~ education program in another country must not be disqualified from examination solely because of the applicant's foreign training if the board determines that the training is equivalent to or higher than that provided by a dental ~~college~~ education program accredited by the Commission on Dental Accreditation. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination prior to applying to the board for licensure. The examination shall include an examination of the applicant's knowledge of the laws of Minnesota relating to dentistry and the rules of the board. An applicant is ineligible to retake the clinical examination required by the board after failing it twice until further education and training are obtained as specified by the board by rule. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all other requirements of the board shall be licensed to practice dentistry and granted a general dentist license by the board.

Sec. 5. Minnesota Statutes 2024, section 150A.06, subdivision 1a, is amended to read:

Subd. 1a. **Faculty dentists.** (a) Faculty members of a ~~school of dentistry~~ dental education program must be licensed in order to practice dentistry as defined in section 150A.05. The board may issue to members of the faculty of a ~~school of dentistry~~ dental education program a license designated as either a "limited faculty license" or a "full faculty license" entitling the holder to practice dentistry within the terms described in paragraph (b) or (c). The dean of a ~~school of dentistry~~ dental education program and program directors of a Minnesota dental hygiene or dental assisting ~~school~~ education program accredited by the Commission on Dental Accreditation shall certify to the board those members of the ~~school's~~ education program faculty who practice dentistry but are

not licensed to practice dentistry in Minnesota. A faculty member who practices dentistry as defined in section 150A.05, before beginning duties in a ~~school of dentistry or a dental hygiene or dental assisting school~~ dental or allied dental education program, shall apply to the board for a limited or full faculty license. Pursuant to Minnesota Rules, chapter 3100, and at the discretion of the board, a limited faculty license must be renewed annually and a full faculty license must be renewed biennially. The faculty applicant shall pay a nonrefundable fee set by the board for issuing and renewing the faculty license. The faculty license is valid during the time the holder remains a member of the faculty of a ~~school of dentistry or a dental hygiene or dental assisting school~~ dental or allied dental education program and subjects the holder to this chapter.

(b) The board may issue to dentist members of the faculty ~~of~~ teaching in a Minnesota ~~school of dentistry, dental hygiene, or dental assisting~~ dental or allied dental education program accredited by the Commission on Dental Accreditation, a license designated as a limited faculty license entitling the holder to practice dentistry within the ~~school~~ education program and its affiliated teaching facilities, but only for the purposes of teaching or conducting research. The practice of dentistry at ~~a school~~ an education program facility for purposes other than teaching or research is not allowed unless the dentist was a faculty member on August 1, 1993.

(c) The board may issue to dentist members of the faculty ~~of~~ teaching in a Minnesota ~~school of dentistry, dental hygiene, or dental assisting~~ dental or allied dental education program accredited by the Commission on Dental Accreditation a license designated as a full faculty license entitling the holder to practice dentistry within the ~~school~~ education program and its affiliated teaching facilities and elsewhere if the holder of the license is employed 50 percent time or more by the ~~school~~ education program in the practice of teaching or research, and upon successful review by the board of the applicant's qualifications as described in subdivisions 1, 1c, and 4 and board rule. The board, at its discretion, may waive specific licensing prerequisites.

Sec. 6. Minnesota Statutes 2024, section 150A.06, subdivision 1b, is amended to read:

Subd. 1b. **Resident dentists.** A person who is a graduate of a dental ~~school~~ education program and is an enrolled graduate student or student of an accredited advanced dental education program and who is not licensed to practice dentistry in the state shall obtain from the board a license to practice dentistry as a resident dentist. The license must be designated "resident dentist license" and authorizes the licensee to practice dentistry only under the supervision of a licensed dentist. A University of Minnesota School of Dentistry dental resident holding a resident dentist license is eligible for enrollment in medical assistance, as provided under section 256B.0625, subdivision 9b. A resident dentist license must be renewed annually pursuant to the board's rules. An applicant for a resident dentist license shall pay a nonrefundable fee set by the board for issuing and renewing the license. The requirements of sections 150A.01 to 150A.21 apply to resident dentists except as specified in rules adopted by the board. A resident dentist license does not qualify a person for licensure under subdivision 1.

Sec. 7. Minnesota Statutes 2024, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant one or more specialty licenses in the specialty areas of dentistry that are recognized by the National Commission on Recognition of Dental ~~Accreditation~~ Specialties and Certifying Board (National Commission).

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty education program accredited by the Commission on Dental Accreditation, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

~~(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;~~

~~(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;~~

~~(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;~~

~~(7)~~ (4) pass all components of the National Board Dental Examinations;

~~(8)~~ (5) pass the Minnesota Board of Dentistry jurisprudence examination;

~~(9)~~ (6) abide by professional ethical conduct requirements; and

~~(10)~~ (7) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

(2) a nonrefundable fee; and

(3) a copy of the applicant's government-issued photo identification card.

(d) A specialty dentist holding one or more specialty licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the National Commission ~~on Dental Accreditation~~.

(e) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for one or more specialty licenses.

Sec. 8. Minnesota Statutes 2024, section 150A.06, subdivision 2, is amended to read:

Subd. 2. **Dental hygienists.** A person of good moral character, who has graduated from a dental hygiene education program accredited by the Commission on Dental Accreditation and established in an institution accredited by an agency recognized by the United States Department of Education to offer college-level programs, may apply for licensure. The dental hygiene education program must provide a minimum of two academic years of dental hygiene education. The applicant must submit an application and fee as prescribed by the board and a diploma or certificate of dental hygiene. Prior to being licensed, the applicant must pass the National Board of Dental Hygiene examination and a board approved examination designed to determine the applicant's clinical competency. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination before applying to the board for licensure. The applicant must also pass an examination testing the applicant's knowledge of the laws of Minnesota relating to the practice of dentistry and of the rules of the board. An applicant is ineligible to retake the clinical examination required by the board after failing it twice until further education and training are obtained as specified by board rule. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental hygienist.

Sec. 9. Minnesota Statutes 2024, section 150A.06, subdivision 2a, is amended to read:

Subd. 2a. **Licensed dental assistant.** A person of good moral character, who has graduated from a dental assisting education program accredited by the Commission on Dental Accreditation, may apply for licensure. The applicant must submit an application and fee as prescribed by the board and the diploma or certificate of dental assisting. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination before applying to the board for licensure. The examination shall include an examination of the applicant's knowledge of the laws of Minnesota relating to dentistry and the rules of the board. ~~An applicant is ineligible to retake the licensure examination required by the board after failing it twice until further education and training are obtained as specified by board rule.~~ A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental assistant.

Sec. 10. Minnesota Statutes 2024, section 150A.06, subdivision 2c, is amended to read:

Subd. 2c. **Guest license.** (a) The board shall grant a guest license to practice as a dentist, dental therapist, dental hygienist, or licensed dental assistant if the following conditions are met:

(1) the dentist, dental therapist, dental hygienist, or dental assistant is currently licensed in good standing in another United States jurisdiction;

(2) the dentist, dental therapist, dental hygienist, or dental assistant is currently engaged in the practice of that person's respective profession in another United States jurisdiction;

(3) the dentist, dental therapist, dental hygienist, or dental assistant will limit that person's practice to a public health setting in Minnesota that (i) is approved by the board; (ii) was established

by a nonprofit organization that is tax exempt under chapter 501(c)(3) of the Internal Revenue Code of 1986; and (iii) provides dental care to patients who have difficulty accessing dental care;

(4) the dentist, dental therapist, dental hygienist, or dental assistant agrees to treat indigent patients who meet the eligibility criteria established by the clinic; and

(5) the dentist, dental therapist, dental hygienist, or dental assistant has applied to the board for a guest license and has paid a nonrefundable license fee to the board.

(b) A guest license must be renewed annually with the board and an annual renewal fee must be paid to the board. Guest licenses expire on December 31 of each year.

(c) A dentist, dental therapist, dental hygienist, or dental assistant practicing under a guest license under this subdivision shall have the same obligations as a dentist, dental therapist, dental hygienist, or dental assistant who is licensed in Minnesota and shall be subject to the laws and rules of Minnesota and the regulatory authority of the board. If the board suspends or revokes the guest license of, or otherwise disciplines, a dentist, dental therapist, dental hygienist, or dental assistant practicing under this subdivision, the board shall promptly report such disciplinary action to the dentist's, dental therapist's, dental hygienist's, or dental assistant's regulatory board in the jurisdictions in which they are licensed.

(d) The board may grant a guest license to a dentist, dental therapist, dental hygienist, or dental assistant licensed in another United States jurisdiction to provide dental care to patients on a voluntary basis without compensation for a limited period of time. The board shall not assess a fee for the guest license for volunteer services issued under this paragraph.

(e) The board shall issue a guest license for volunteer services if:

(1) the board determines that the applicant's services will provide dental care to patients who have difficulty accessing dental care;

(2) the care will be provided without compensation; and

(3) the applicant provides adequate proof of the status of all licenses to practice in other jurisdictions. The board may require such proof on an application form developed by the board.

(f) The guest license for volunteer services shall limit the licensee to providing dental care services for a period of time not to exceed ten days in a calendar year. Guest licenses expire on December 31 of each year.

(g) The holder of a guest license for volunteer services shall be subject to state laws and rules regarding dentistry and the regulatory authority of the board. The board may revoke the license of a dentist, dental therapist, dental hygienist, or dental assistant practicing under this subdivision or take other regulatory action against the dentist, dental therapist, dental hygienist, or dental assistant. If an action is taken, the board shall report the action to the regulatory board of those jurisdictions where an active license is held by the dentist, dental therapist, dental hygienist, or dental assistant.

Sec. 11. Minnesota Statutes 2024, section 150A.06, subdivision 2d, is amended to read:

Subd. 2d. **Continuing education and professional development waiver.** (a) The board shall grant a waiver to the continuing education requirements under this chapter for a licensed dentist, licensed dental therapist, licensed dental hygienist, or licensed dental assistant who documents to the satisfaction of the board that the dentist, dental therapist, dental hygienist, or licensed dental assistant has retired from active practice in the state and limits the provision of dental care services to those offered without compensation in a public health, community, or tribal clinic or a nonprofit organization that provides services to ~~the indigent or to recipients of medical assistance or MinnesotaCare programs~~ patients who do not have dental health coverage, either through a state public health care program or private insurance, and whose annual family gross income is equal to or less than 200 percent of the federal poverty guidelines.

(b) The board may require written documentation from the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant prior to granting this waiver.

(c) The board shall require the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant to meet the following requirements:

(1) a licensee seeking a waiver under this subdivision must complete and document at least five hours of approved courses in infection control, medical emergencies, and medical management for the continuing education cycle; and

(2) provide documentation of current CPR certification ~~from completion of the American Heart Association healthcare provider course or the American Red Cross professional rescuer course~~.

Sec. 12. Minnesota Statutes 2024, section 150A.06, subdivision 3, is amended to read:

Subd. 3. **Waiver of examination.** (a) All or any part of the examination for dentists, dental therapists, dental hygienists, or dental assistants, except that pertaining to the law of Minnesota relating to dentistry and the rules of the board, may, at the discretion of the board, be waived for an applicant who presents a certificate of having passed all components of the National Board Dental Examinations or evidence of having maintained an adequate scholastic standing as determined by the board.

(b) The board shall waive the clinical examination required for licensure for any dentist applicant who is a graduate of a dental ~~school~~ education program accredited by the Commission on Dental Accreditation, who has passed all components of the National Board Dental Examinations, and who has satisfactorily completed a postdoctoral general dentistry residency program (GPR) or an advanced education in general dentistry (AEGD) program after January 1, 2004. The postdoctoral program must be accredited by the Commission on Dental Accreditation, be of at least one year's duration, and include an outcome assessment evaluation assessing the resident's competence to practice dentistry. The board may require the applicant to submit any information deemed necessary by the board to determine whether the waiver is applicable.

Sec. 13. Minnesota Statutes 2024, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials; dental assistant.** (a) Any dental assistant may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record in lieu of completing a

board-approved dental assisting education program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from ~~an accredited~~ a dental assisting education program accredited by the Commission on Dental Accreditation or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting education program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

Sec. 14. Minnesota Statutes 2024, section 150A.06, subdivision 9, is amended to read:

Subd. 9. **Graduates of nonaccredited dental education programs.** A graduate of a nonaccredited dental education program who successfully completes the clinical licensure examination, and meets all other applicant requirements of the board shall be licensed to practice dentistry and granted a limited general dentist license by the board. The board shall place limitations on the licensee's authority to practice by requiring the licensee to practice under the general supervision of a Minnesota-licensed dentist approved by the board. A person licensed under this subdivision must practice for three consecutive years in Minnesota pursuant to a written agreement, approved by the board, between the licensee and a Minnesota-licensed dentist who may limit the types of services authorized. At the conclusion of the three-year period, the board shall grant an unlimited license without further restrictions if all supervising dentists who had entered into written agreements with the licensee during any part of the three-year period recommend unlimited licensure, and if no corrective action or disciplinary action has been taken by the board against the licensee.

Sec. 15. Minnesota Statutes 2024, section 150A.06, subdivision 11, is amended to read:

Subd. 11. **Emeritus active licensure.** (a) A person licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting may apply for an emeritus active license if the person is retired from active practice, is in compliance with board requirements, and is not the subject of current disciplinary action resulting in suspension, revocation, disqualification, condition, or restriction of the license to practice dentistry, dental therapy, dental hygiene, or dental assisting.

(b) An emeritus active licensee may engage only in the following types of practice:

(1) pro bono or volunteer dental practice;

(2) paid practice not to exceed 500 hours per calendar year for the exclusive purpose of providing licensing supervision to meet the board's requirements; or

(3) paid consulting services not to exceed 500 hours per calendar year.

(c) An emeritus active licensee shall not hold out as a full licensee and may only hold out as authorized to practice as described in this subdivision. The board may take disciplinary or corrective action against an emeritus active licensee based on violations of applicable law or board requirements.

(d) A person may apply for an emeritus active license by completing an application form specified by the board and must pay the application fee pursuant to section 150A.091, subdivision 20.

(e) If an emeritus active license is not renewed every two years, the license expires 30 days after notification from the board that the licensee failed to timely renew the license. The renewal date is the same as the licensee's renewal date when the licensee was in active practice. In order to renew an emeritus active license, the licensee must:

(1) complete an application form as specified by the board;

(2) pay the required renewal fee pursuant to section 150A.091, subdivision 20; and

~~(3) report at least 25 continuing education hours completed since the last renewal, which must include:~~

~~(i) at least one hour in two different required CORE areas;~~

~~(ii) at least one hour of mandatory infection control;~~

~~(iii) for dentists and dental therapists, at least 15 hours of fundamental credits for dentists and dental therapists, and for dental hygienists and dental assistants, at least seven hours of fundamental credits; and~~

~~(iv) for dentists and dental therapists, no more than ten elective credits, and for dental hygienists and dental assistants, no more than six elective credits.~~

(3) comply with the professional development requirements in Minnesota Rules, part 3100.1350, subpart 4.

Sec. 16. Minnesota Statutes 2025 Supplement, section 150A.06, subdivision 12, is amended to read:

Subd. 12. **Licensure by credentials; dental therapist.** (a) Any dental therapist may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record. The applicant may be interviewed by the board to determine if the applicant:

(1) graduated with a baccalaureate or master's degree from a dental therapy education program accredited by the Commission on Dental Accreditation;

(2) provided evidence of successfully completing the board's jurisprudence examination;

(3) actively practiced at least 2,000 hours within 36 months of the application date or passed a board-approved reentry program within 36 months of the application date;

(4) either:

(i) is currently licensed in another state or Canadian province and not subject to any pending or final disciplinary action; or

(ii) was previously licensed in another state or Canadian province in good standing and not subject to any final or pending disciplinary action at the time of surrender;

(5) passed a board-approved English proficiency test if English is not the applicant's primary language required at the board's discretion; and

(6) met all curriculum equivalency requirements regarding dental therapy scope of practice in Minnesota.

(b) The 2,000 practice hours required by paragraph (a), clause (3), may count toward the 2,000 practice hours required for consideration for advanced dental therapy certification, provided that all other requirements of section 150A.106, subdivision 1, are met.

(c) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(d) The board must license an applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 1d to practice the applicant's profession.

(e) The board must deny the application if the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 1d. If licensure is denied, the board may notify the applicant of any specific remedy the applicant could take to qualify for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 1d.

(f) A candidate may appeal a denied application to the board according to subdivision 4a.

Sec. 17. Minnesota Statutes 2024, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, the license of a dentist, dental therapist, dental hygienist, or dental assistant upon any of the following grounds:

(1) fraud or deception in connection with the practice of dentistry or the securing of a license certificate;

(2) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony-level criminal sexual conduct offense pursuant to sections 609.342 to 609.345 or similar statutes in another jurisdiction, as evidenced by public court records. A license that has been denied or revoked pursuant to this clause is not subject to chapter 364;

~~(2)~~ (3) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by ~~a certified copy of the conviction~~ public court records;

~~(3)~~ (4) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by ~~a certified copy of the conviction~~ public court records;

~~(4) habitual overindulgence in the use of intoxicating liquors;~~

(5) improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;

(6) conduct unbecoming a person licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting, or conduct contrary to the best interest of the public, as ~~such conduct is~~ defined ~~by the rules of the board~~ in Minnesota Rules, part 3100.6200;

(7) gross immorality;

(8) any physical, mental, emotional, or other disability which adversely affects a dentist's, dental therapist's, dental hygienist's, or dental assistant's ability to perform the service for which the person is licensed;

(9) revocation or suspension of a license or equivalent authority to practice, or other disciplinary action or denial of a license application taken by a licensing or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;

(10) failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7;

(13) violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the Board of Dentistry, or any disciplinary order issued by the board, sections 144.291 to 144.298 or 595.02, subdivision 1, paragraph (d), or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct;

(14) knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo; or

(15) aiding suicide ~~or~~, aiding attempted suicide ~~in violation of~~, being subject to injunctive relief, or being assessed civil damages according to section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 18. Minnesota Statutes 2024, section 150A.081, subdivision 1, is amended to read:

Subdivision 1. **Access to data on licensee.** When the board has probable cause to believe that a licensee's condition meets a ground listed in section 150A.08, subdivision 1, clause ~~(4) or~~ (8), it may, notwithstanding sections 13.384, 144.651, or any other law limiting access to medical data, obtain medical or health records on the licensee without the licensee's consent. The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h), an insurance company, or a government agency. A provider, insurance company, or government agency shall comply with a written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released under the written request, unless the information is false and the entity providing the information knew, or had reason to believe, the information was false.

Sec. 19. Minnesota Statutes 2024, section 150A.091, subdivision 2, is amended to read:

Subd. 2. **Application and initial license or registration fees.** Each applicant shall submit with a license, advanced dental therapist certificate, or ~~permit~~ registration application a nonrefundable fee in the following amounts in order to administratively process an application:

(1) dentist, $308;

(2) full faculty dentist, $308;

(3) limited faculty dentist, $140;

(4) resident dentist or dental provider, $55;

(5) advanced dental therapist, $100;

(6) dental therapist, $220;

(7) dental hygienist, $115;

(8) licensed dental assistant, $115;

(9) dental assistant with limited radiology registration as described in Minnesota Rules, part 3100.1320, $27; and

(10) guest license, $50.

Sec. 20. Minnesota Statutes 2024, section 150A.091, subdivision 4, is amended to read:

Subd. 4. **Annual license renewal fees.** Each ~~limited faculty or resident dentist~~ applicant shall submit with an annual license renewal application a fee established by the board not to exceed the following amounts:

(1) limited faculty dentist, $168; ~~and~~

(2) resident dentist or dental provider, $85~~.~~; and

(3) guest license, $50.

Sec. 21. Minnesota Statutes 2024, section 150A.091, subdivision 5, is amended to read:

Subd. 5. **Biennial license or registration renewal fees.** Each of the following applicants shall submit with a biennial license or ~~permit~~ registration renewal application a fee as established by the board, not to exceed the following amounts:

(1) dentist or full faculty dentist, $475;

(2) dental therapist, $300;

(3) dental hygienist, $200;

(4) licensed dental assistant, $150; and

(5) dental assistant with a limited radiology registration as described in Minnesota Rules, part 3100.1320, $24.

Sec. 22. Minnesota Statutes 2024, section 150A.091, subdivision 7, is amended to read:

Subd. 7. **Biennial license or ~~permit~~ registration late fee.** Applications for renewal of any license or ~~permit~~ registration received after the time specified in Minnesota Rules, part 3100.1700, must be assessed a late fee equal to 25 percent of the biennial renewal fee.

Sec. 23. Minnesota Statutes 2024, section 150A.091, subdivision 8, is amended to read:

Subd. 8. **Duplicate ~~license or~~ renewal certificate or registration fee.** Each applicant shall submit, with a request for issuance of a duplicate ~~of the original license, or of an~~ annual or biennial renewal certificate for a license or ~~permit~~ registration, a fee in the following amounts:

~~(1) original dentist, full faculty dentist, dental therapist, dental hygiene, or dental assistant license, $35; and~~

~~(2)~~ (1) annual or biennial renewal certificates, $10~~.~~; and

(2) biennial renewal registration, $10.

Sec. 24. Minnesota Statutes 2024, section 150A.091, subdivision 9a, is amended to read:

Subd. 9a. **Credential review; nonaccredited dental ~~institution~~ education program.** Applicants who have graduated from a nonaccredited dental ~~college~~ education program desiring licensure as a dentist pursuant to section 150A.06, subdivision 1, shall submit an application for credential review and an application fee not to exceed the amount of $200.

Sec. 25. Minnesota Statutes 2024, section 150A.091, subdivision 10, is amended to read:

Subd. 10. **Reinstatement fee.** No dentist, dental therapist, dental hygienist, or dental assistant whose license has been suspended or revoked may have the license reinstated or a new license issued until a fee has been submitted to the board in the following amounts:

(1) dentist, $140;

(2) dental therapist, $85;

(3) dental hygienist, $55; ~~and~~

(4) dental assistant, $35~~.~~; and

(5) dental assistant with a limited radiology registration, $24.

Sec. 26. Minnesota Statutes 2024, section 150A.091, subdivision 20, is amended to read:

Subd. 20. **Emeritus active license.** An individual applying for emeritus active licensure under section 150A.06, subdivision 11, must pay a fee upon application and upon renewal every two years. The fees for emeritus active license application and biennial renewal are as follows: dentist, $212; dental therapist, $100; dental hygienist, $75; and dental assistant, $55.

Sec. 27. Minnesota Statutes 2024, section 150A.091, is amended by adding a subdivision to read:

Subd. 20a. **Emeritus active license late fee.** The board must assess a late fee equal to 25 percent of the biennial renewal fee on applications for renewal of an emeritus active license received after the time specified in Minnesota Rules, part 3100.1350, subpart 3.

Sec. 28. Minnesota Statutes 2024, section 150A.10, subdivision 1, is amended to read:

Subdivision 1. **Dental hygienists.** Any licensed dentist, licensed dental therapist, public institution, or ~~school~~ education program authority may obtain services from a licensed dental hygienist. The licensed dental hygienist may provide those services defined in section 150A.05, subdivision 1a. The services provided shall not include the establishment of a final diagnosis or treatment plan for a dental patient. All services shall be provided under supervision of a licensed dentist. Any licensed dentist who shall permit any dental service by a dental hygienist other than those authorized by the Board of Dentistry, shall be deemed to be violating the provisions of sections 150A.01 to 150A.12, and any unauthorized dental service by a dental hygienist shall constitute a violation of sections 150A.01 to 150A.12.

Sec. 29. Minnesota Statutes 2024, section 150A.10, subdivision 1a, is amended to read:

Subd. 1a. **Collaborative practice authorization for dental hygienists in community settings.** (a) Notwithstanding subdivision 1, a dental hygienist licensed under this chapter may be employed or retained by a health care facility, program, nonprofit organization, or licensed dentist to perform the dental hygiene services listed in Minnesota Rules, part 3100.8700, subpart 1, without the patient first being examined by a licensed dentist if the dental hygienist:

(1) has entered into a collaborative agreement with a licensed dentist that designates authorization for the services provided by the dental hygienist; and

(2) has documented completion of a course on medical emergencies within each continuing education cycle.

(b) A collaborating dentist must be licensed under this chapter and may enter into a collaborative agreement with no more than ~~four~~ eight dental hygienists unless otherwise authorized by the board. The board shall develop parameters and a process for obtaining authorization to collaborate with more than ~~four~~ eight dental hygienists. The collaborative agreement must include:

(1) consideration for medically compromised patients and medical conditions for which a dental evaluation and treatment plan must occur prior to the provision of dental hygiene services;

(2) age- and procedure-specific standard collaborative practice protocols, including recommended intervals for the performance of dental hygiene services and a period of time in which an examination by a dentist should occur;

(3) copies of consent to treatment form provided to the patient by the dental hygienist;

(4) specific protocols for the placement of pit and fissure sealants and requirements for follow-up care to ensure efficacy; and

(5) the procedure for creating and maintaining dental records for patients who are treated by the dental hygienist under Minnesota Rules, part 3100.9600, including specifying where records will be located.

(c) The collaborative agreement must be:

(1) signed and maintained by the dentist; the dental hygienist; and the facility, program, or organization;

(2) reviewed annually by the collaborating dentist and the dental hygienist; and

(3) made available to the board upon request.

(d) Before performing any services authorized under this subdivision, a dental hygienist must provide the patient with a consent to treatment form which must include a statement advising the patient that the dental hygiene services provided are not a substitute for a dental examination by a licensed dentist. When the patient requires a referral for additional dental services, the dental hygienist shall complete a referral form and provide a copy to the patient, the facility, if applicable, the dentist to whom the patient is being referred, and the collaborating dentist, if specified in the collaborative agreement. A copy of the referral form shall be maintained in the patient's health care record. The patient does not become a new patient of record of the dentist to whom the patient was referred until the dentist accepts the patient for follow-up services after referral from the dental hygienist.

(e) For the purposes of this subdivision, a "health care facility, program, or nonprofit organization" includes a hospital; nursing home; home health agency; group home serving the elderly, disabled, or juveniles; state-operated facility licensed by the commissioner of human services or the commissioner of corrections; a state-agency-administered public health program or event; and federal, state, or local public health facility, community clinic, tribal clinic, ~~school~~ education program authority, Head Start program, or nonprofit organization that serves individuals who are uninsured or who are Minnesota health care public program recipients.

(f) For purposes of this subdivision, a "collaborative agreement" means a written agreement with a licensed dentist who authorizes and accepts responsibility for the services performed by the dental hygienist.

(g) A collaborative practice dental hygienist must be reimbursed for all services performed through a health care facility, program, nonprofit organization, or licensed dentist.

Sec. 30. Minnesota Statutes 2024, section 150A.10, subdivision 4, is amended to read:

Subd. 4. **Restorative procedures.** (a) Notwithstanding subdivisions 1, 1a, and 2, a licensed dental hygienist or licensed dental assistant may perform the following restorative procedures:

(1) place, contour, and adjust amalgam restorations;

(2) place, contour, and adjust glass ionomer;

(3) adapt and cement stainless steel crowns; and

(4) place, contour, and adjust ~~class I, II, and V supragingival~~ composite restorations ~~on primary and permanent dentition~~.

(b) The restorative procedures described in paragraph (a) may be performed only if:

(1) the licensed dental hygienist or licensed dental assistant has completed a board-approved course on the specific procedures;

(2) the board-approved course includes a component that sufficiently prepares the licensed dental hygienist or licensed dental assistant to adjust the occlusion on the newly placed restoration;

(3) a licensed dentist or licensed advanced dental therapist has authorized the procedure to be performed; and

(4) a licensed dentist or licensed advanced dental therapist is available in the clinic while the procedure is being performed.

(c) The dental faculty who teaches the educators of the board-approved courses specified in paragraph (b) must have prior experience teaching these procedures in an accredited dental education program.

Sec. 31. Minnesota Statutes 2024, section 150A.105, subdivision 8, is amended to read:

Subd. 8. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Practice settings that serve the low-income and underserved" mean:

(1) critical access dental provider settings as designated by the commissioner of human services under section 256B.76, subdivision 4;

(2) dental hygiene collaborative practice settings identified in section 150A.10, subdivision 1a, paragraph (e), and including medical facilities, assisted living facilities, federally qualified health centers, and organizations eligible to receive a community clinic grant under section 145.9268, subdivision 1;

(3) military and veterans administration hospitals, clinics, and care settings;

(4) a patient's residence or home when the patient is home-bound or receiving or eligible to receive home care services or home and community-based waivered services, regardless of the patient's income;

(5) oral health educational institutions; or

(6) any other clinic or practice setting, including mobile dental units, in which at least 50 percent of the total patient base of the dental therapist or advanced dental therapist consists of patients who:

(i) are enrolled in a Minnesota health care program;

(ii) have a medical disability or chronic condition that creates a significant barrier to receiving dental care; or

~~(iii) do not have dental health coverage, either through a public health care program or private insurance, and have an annual gross family income equal to or less than 200 percent of the federal poverty guidelines; or~~

~~(iv)~~ (iii) do not have dental health coverage, either through a state public health care program or private insurance, and whose family annual gross income is equal to or less than 200 percent of the federal poverty guidelines.

(c) "Dental health professional shortage area" means an area that meets the criteria established by the secretary of the United States Department of Health and Human Services and is designated as such under United States Code, title 42, section 254e.

Sec. 32. Minnesota Statutes 2024, section 150A.106, subdivision 3, is amended to read:

Subd. 3. **Practice limitation.** (a) An advanced practice dental therapist shall not perform any service or procedure described in subdivision 2 except as authorized by the collaborating dentist.

(b) An advanced dental therapist may perform nonsurgical extractions of periodontally diseased permanent teeth with tooth mobility of +3 to +4 under general supervision if authorized in advance by the collaborating dentist. The advanced dental therapist shall not extract a tooth for any patient if the tooth is unerupted, impacted, fractured, or needs to be sectioned for removal.

~~(c) The collaborating dentist is responsible for directly providing or arranging for another dentist or specialist to provide any necessary advanced services needed by the patient.~~

~~(d)~~ (c) An advanced dental therapist in accordance with the collaborative management agreement must refer patients to another qualified dental or health care professional to receive any needed services that exceed the scope of practice of the advanced dental therapist.

~~(e)~~ (d) In addition to the collaborative management agreement requirements described in section 150A.105, a collaborative management agreement entered into with an advanced dental therapist must include specific written protocols to govern situations in which the advanced dental therapist encounters a patient who requires treatment that exceeds the authorized scope of practice of the advanced dental therapist. The collaborating dentist must ensure that a dentist is available to the advanced dental therapist for timely consultation during treatment if needed and must either provide or arrange with another dentist or specialist to provide the necessary treatment to any patient who requires more treatment than the advanced dental therapist is authorized to provide.

Sec. 33. Minnesota Statutes 2024, section 150A.11, subdivision 1, is amended to read:

Subdivision 1. **Unlawful practice.** It is unlawful for any person to: enable an unlicensed person to practice dentistry; to practice or attempt to practice dentistry without a license; to practice dentistry under the name of a corporation or company; or to practice under any name that may tend to deceive the public or imply professional superiority to or greater skill than that possessed by another dentist. If a dentist practices under the dentist's own name, any public display or cards shall include the initials of the dentist's dental degree, such as D.D.S. or D.M.D., following the name. If a dentist practices under another name, the name shall include some designation which makes clear that the person is practicing dentistry or a specialty of dentistry; and that the names of all of the participating dentists practicing under the name be clearly identified on letterheads and building or office signs that display a name other than the dentist's own name. Any communication between dentist and patient shall clearly indicate the name of the dentist treating the patient. The board may promulgate rules regarding the name under which a dentist may practice. No corporation shall practice dentistry or engage in it, or hold itself out as being entitled to practice dentistry, or furnish dental services or dentists, or advertise under or assume the title of dentists or dental surgeons or equivalent title. No corporation shall furnish dental advice, or advertise or hold itself out with any other person or alone, that it has or owns a dental office or can furnish dental service, dentists, or dental surgeons, or solicit,

through itself, or its agents, officers, employees, directors or trustees, dental patronage for any dentist or dental surgeon. This section:

(1) Does not apply to any licensee while acting as an instructor in or under the University of Minnesota, the Mayo Foundation, or any other ~~school~~ education program in the state recognized by the state Board of Dentistry;

(2) Does not prohibit dentists from incorporating their practice of dentistry for business purposes under the special provisions of a corporate practice act for dentistry;

(3) Shall not be construed to change or amend the right of licensed dentists to provide dental care under any form of organization that is lawful under the laws of this state, or to contract to sell their services in any manner that is lawful under the laws of this state.

Sec. 34. **REPEALER.**

Minnesota Statutes 2024, section 150A.06, subdivision 6, is repealed.

ARTICLE 9

BOARD OF MARRIAGE AND FAMILY THERAPY

Section 1. Minnesota Statutes 2024, section 148B.35, is amended to read:

148B.35 RECIPROCITY WITH OTHER STATES.

The board shall issue a marriage and family therapist's license to an individual who holds a current license as a marriage and family therapist from another jurisdiction if the ~~board determines that the standards for licensure in the other jurisdiction are at least equivalent to or exceed the requirements of sections 148B.29 to 148B.392 and the rules of the board.~~ individual:

(1) completes an application for licensure by reciprocity on a form provided by the board and submits the applicable fees under section 148B.392;

(2) holds a current, valid, and unrestricted license from another jurisdiction to practice as a marriage and family therapist;

(3) is licensed in good standing in each jurisdiction in which the individual currently holds a license to practice as a marriage and family therapist and is not the subject of disciplinary action or a pending investigation by any jurisdiction's licensing authority for marriage and family therapists;

(4) has not been convicted of a crime that would disqualify the individual from licensure, as determined by the board; and

(5) has passed a Minnesota jurisprudence examination approved by the board.

ARTICLE 10

PHARMACY PRACTICE

Section 1. Minnesota Statutes 2025 Supplement, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, licensed certified midwife, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe ~~self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs to prevent the acquisition of human immunodeficiency virus (HIV) under~~ drug therapy according to subdivision 27 or section 151.37~~, subdivision 17~~.

Sec. 2. Minnesota Statutes 2024, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

(1) interpretation and evaluation of prescription drug orders;

(2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);

(3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including ordering and performing laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq. A pharmacist may collect specimens, interpret results, notify the patient of results, and refer the patient to other health care providers for follow-up care and may initiate, modify, or discontinue drug therapy only pursuant to a protocol or collaborative practice agreement. A pharmacist may delegate the authority to administer tests under this clause to a pharmacy technician or pharmacy intern. A pharmacy technician or pharmacy intern may perform tests authorized under this clause if the technician or intern is working under the direct supervision of a pharmacist;

(4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; intramuscular and subcutaneous drug administration under a prescription drug order; drug regimen reviews; and drug or drug-related research;

(5) drug administration, through intramuscular and subcutaneous administration used to treat mental illnesses as permitted under the following conditions:

(i) upon the order of a ~~prescriber~~ practitioner and the ~~prescriber~~ practitioner is notified after administration is complete; or

(ii) pursuant to a protocol or collaborative practice agreement as defined by section 151.01, subdivisions 27b and 27c, and participation in the initiation, management, modification, administration, and discontinuation of drug therapy is according to the protocol or collaborative practice agreement between the pharmacist and a dentist, optometrist, physician, physician assistant, podiatrist, or veterinarian, or an advanced practice registered nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy or medication administration made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(6) initiating, ordering, and administering influenza and COVID-19 or SARS-CoV-2 vaccines authorized or approved by the United States Food and Drug Administration to all eligible individuals three years of age and older and all other United States Food and Drug Administration-approved vaccines to patients six years of age and older according to the federal Advisory Committee on Immunization Practices recommendations. A pharmacist may delegate the authority to administer vaccines under this clause to a pharmacy technician or pharmacy intern who has completed training in vaccine administration if:

(i) the pharmacist and the pharmacy technician or pharmacy intern have successfully completed a program approved by the Accreditation Council for Pharmacy Education (ACPE) specifically for the administration of immunizations or a program approved by the board;

(ii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

(iii) the pharmacist reports the administration of the immunization to the Minnesota Immunization Information Connection;

(iv) if the patient is 18 years of age or younger, the pharmacist, pharmacy technician, or pharmacy intern informs the patient and any adult caregiver accompanying the patient of the importance of a well-child visit with a pediatrician or other licensed primary care provider; and

(v) in the case of a pharmacy technician administering vaccinations while being supervised by a licensed pharmacist:

(A) the supervision is in-person and must not be done through telehealth as defined under section 62A.673, subdivision 2;

(B) the pharmacist is readily and immediately available to the immunizing pharmacy technician;

(C) the pharmacy technician has a current certificate in basic cardiopulmonary resuscitation;

(D) the pharmacy technician has completed a minimum of two hours of ACPE-approved, immunization-related continuing pharmacy education as part of the pharmacy technician's two-year continuing education schedule; and

(E) the pharmacy technician has completed one of two training programs listed under Minnesota Rules, part 6800.3850, subpart 1h, item B;

(7) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, physician assistants, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice registered nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(8) participation in the storage of drugs and the maintenance of records;

(9) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices;

(10) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy;

(11) participation in the initiation, management, modification, and discontinuation of therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:

(i) a written protocol as allowed under clause (7); or

(ii) a written protocol with a community health board medical consultant or a practitioner designated by the commissioner of health, as allowed under section 151.37, subdivision 13;

(12) prescribing self-administered hormonal contraceptives; nicotine replacement medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant to section 151.37, subdivision 14, 15, or 16;

(13) participation in the placement of drug monitoring devices according to a prescription, protocol, or collaborative practice agreement;

(14) prescribing, dispensing, and administering drugs for preventing the acquisition of human immunodeficiency virus (HIV) if the pharmacist meets the requirements in section 151.37, subdivision 17; ~~and~~

(15) ordering, conducting, and interpreting laboratory tests necessary for therapies that use drugs for preventing the acquisition of HIV, if the pharmacist meets the requirements in section 151.37, subdivision 17~~.~~<u>; and</u>

<u>(16) initiating, prescribing, dispensing, and administering drugs for the treatment of opioid use disorder pursuant to section 151.37, subdivision 18.</u>

Sec. 3. Minnesota Statutes 2024, section 151.071, subdivision 2, is amended to read:

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a

disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas dispenser, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) fee splitting, including without limitation:

(i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

(ii) referring a patient to any health care provider as defined in sections 144.291 to 144.298 in which the licensee or registrant has a financial or economic interest as defined in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the licensee's or registrant's financial or economic interest in accordance with section 144.6521; and

(iii) any arrangement through which a pharmacy, in which the prescribing practitioner does not have a significant ownership interest, fills a prescription drug order and the prescribing practitioner is involved in any manner, directly or indirectly, in setting the price for the filled prescription that is charged to the patient, the patient's insurer or pharmacy benefit manager, or other person paying for the prescription or, in the case of veterinary patients, the price for the filled prescription that is charged to the client or other person paying for the prescription, except that a veterinarian and a pharmacy may enter into such an arrangement provided that the client or other person paying for the prescription is notified, in writing and with each prescription dispensed, about the arrangement, unless such arrangement involves pharmacy services provided for livestock, poultry, and agricultural production systems, in which case client notification would not be required;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration;

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professionals services program for reasons other than the satisfactory completion of the program; ~~and~~

(25) for a manufacturer, a violation of section 62J.842 or 62J.845~~.~~; and

(26) for a pharmacist or pharmacist intern, engaging in conduct that departs from or fails to conform with accepted standards for health care that would be provided in a similar setting by a reasonable and prudent pharmacist or pharmacist intern.

Sec. 4. Minnesota Statutes 2024, section 151.37, is amended by adding a subdivision to read:

Subd. 18. **Treatment of opioid use disorder.** (a) A pharmacist is authorized to prescribe, administer, and dispense legend drugs and controlled substances in Schedules III through V of section 152.02 to treat opioid use disorder if:

(1) the pharmacist has determined, based on medically acceptable standards, that treatment is indicated and necessary; and

(2) the pharmacist documents in the patient's health record the assessment, treatment, response, and monitoring activities performed according to an individual treatment plan.

(b) In order to prescribe a drug described in paragraph (a), the pharmacist must first:

(1) successfully complete a training program specifically developed for practitioners for the treatment of substance use disorders, in accordance with United States Code, title 21, section 823(m); and

(2) obtain the appropriate federal Drug Enforcement Administration registration number required for the schedule in which that drug is included, if the drug to be prescribed is a controlled substance.

(c) Before dispensing a drug described in paragraph (a) that is prescribed by the pharmacist, the pharmacist must provide counseling to the patient on the proper use of the drug, the need for follow-up, and any additional information listed in Minnesota Rules, part 6800.0910, subpart 2, that must be provided during patient counseling.

(d) A pharmacist is prohibited from delegating the prescribing authority under this subdivision to any other person. A pharmacist intern registered under section 151.101 may prepare the prescription, but before the prescription is processed or dispensed, a pharmacist authorized to prescribe under this subdivision must review, approve, and sign the prescription.

(e) Nothing in this subdivision prohibits a pharmacist from participating in the initiation, management, modification, and discontinuation of drug therapy according to a protocol for opioid use disorder as authorized in this section and section 151.01, subdivision 27.

(f) Nothing in this subdivision prohibits a pharmacist from dispensing or administering drugs for the treatment of opioid use disorder in accordance with a valid prescription issued by another practitioner.

(g) Nothing in this subdivision prohibits a pharmacist from charging for a service authorized under this subdivision.

Sec. 5. Minnesota Statutes 2024, section 152.11, subdivision 2, is amended to read:

Subd. 2. **Prescription requirements for Schedule III or IV controlled substances.** (a) Except as provided in paragraph (b), no person may dispense a controlled substance included in Schedule III or IV of section 152.02 without a prescription issued, as permitted under subdivision 1, by a doctor of medicine, a doctor of osteopathic medicine licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to Schedule IV, a pharmacist limited to Schedule III or IV and in accordance with section 151.37, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or from a practitioner licensed to prescribe controlled substances by the state in which the prescription is issued, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the documented consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times.

(b) This subdivision does not apply to cannabis plants, cannabis flower, cannabis products, or hemp-derived consumer products sold or transferred in compliance with chapter 342.

Sec. 6. Minnesota Statutes 2024, section 152.12, is amended by adding a subdivision to read:

Subd. 2a. **Pharmacist.** A licensed pharmacist, in good faith and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance that is included in Schedules III through V of section 152.02 and that the pharmacist is authorized to prescribe, administer, and dispense under section 151.37, subdivision 18, and may cause the same to be administered by a pharmacist intern under the direction and supervision of the pharmacist."

Delete the title and insert:

"A bill for an act relating to health professions; modifying licensing and scope of practice for acupuncture and herbal medicine practice, athletic training, massage therapy, mortuary science, music therapy, physician assistant practice, social work, dentistry practice, marriage and family therapy, and pharmacy practice; establishing advisory councils; imposing civil penalties; amending Minnesota Statutes 2024, sections 144.0572, subdivision 1; 146A.06, subdivision 3; 146A.09, by adding a subdivision; 147A.01, subdivision 18; 147A.03, subdivision 1, by adding a subdivision; 147B.01, subdivisions 3, 4, 9, 14, by adding a subdivision; 147B.03, subdivisions 2, 3; 147B.05, subdivision 1; 147B.06, subdivisions 1, 5; 148.7802, subdivision 6, by adding a subdivision; 148.7806; 148.7807; 148.7814; 148B.35; 148E.065, subdivision 4a; 148E.195, subdivision 2a; 148E.280; 149A.02, subdivision 26; 149A.20, subdivisions 6, 7; 149A.30, subdivision 1; 150A.01,

subdivision 6a; 150A.05, subdivisions 1, 2; 150A.06, subdivisions 1, 1a, 1b, 1c, 2, 2a, 2c, 2d, 3, 8, 9, 11; 150A.08, subdivision 1; 150A.081, subdivision 1; 150A.091, subdivisions 2, 4, 5, 7, 8, 9a, 10, 20, by adding a subdivision; 150A.10, subdivisions 1, 1a, 4; 150A.105, subdivision 8; 150A.106, subdivision 3; 150A.11, subdivision 1; 151.01, subdivision 27; 151.071, subdivision 2; 151.37, by adding a subdivision; 152.11, subdivision 2; 152.12, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 147B.06, subdivision 4; 150A.06, subdivision 12; 151.01, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 148; proposing coding for new law as Minnesota Statutes, chapter 148H; repealing Minnesota Statutes 2024, sections 147B.01, subdivision 18; 148.7802, subdivisions 4, 5; 150A.06, subdivision 6."

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

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

S.F. No. 3295: A bill for an act relating to health; updating HMO regulations; amending Minnesota Statutes 2024, sections 13.7191, subdivision 4; 60D.15, subdivision 3; 60D.21, subdivisions 1, 3; 60D.23; 62D.221, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

HEALTH-RELATED OCCUPATIONS

Section 1. Minnesota Statutes 2024, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10:

(1) "abnormal articulation" means the condition of opposing bony joint surfaces and their related soft tissues that do not function normally, including subluxation, fixation, adhesion, degeneration, deformity, dislocation, or other pathology that results in pain or disturbances within the nervous system, results in postural alteration, inhibits motion, allows excessive motion, alters direction of motion, or results in loss of axial loading efficiency, or a combination of these;

(2) "acupuncture" means a modality of treating abnormal physical conditions by stimulating various points of the body or interruption of the cutaneous integrity by needle insertion to secure a reflex relief of the symptoms by nerve stimulation as utilized as an adjunct to chiropractic adjustment;

(3) "animal chiropractic diagnosis and treatment" means treatment that includes identification and resolution of vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

(i) performing surgery;

(ii) dispensing or administering medications; or

(iii) performing traditional veterinary care and diagnosis;

~~(1)~~ (4) "chiropractic" means the health care discipline that recognizes the innate recuperative power of the body to heal itself without the use of drugs or surgery by identifying and caring for vertebral subluxations and other abnormal articulations by emphasizing the relationship between structure and function as coordinated by the nervous system and how that relationship affects the preservation and restoration of health;

~~(2)~~ (5) "chiropractic services" means the evaluation and facilitation of structural, biomechanical, and neurological function and integrity through the use of adjustment, manipulation, mobilization, or other procedures accomplished by manual or mechanical forces applied to bones or joints and their related soft tissues for correction of vertebral subluxation, other abnormal articulations, neurological disturbances, structural alterations, or biomechanical alterations, and includes~~,~~ but is not limited to~~,~~ manual therapy and mechanical therapy as defined in section 146.23;

~~(3) "abnormal articulation" means the condition of opposing bony joint surfaces and their related soft tissues that do not function normally, including subluxation, fixation, adhesion, degeneration, deformity, dislocation, or other pathology that results in pain or disturbances within the nervous system, results in postural alteration, inhibits motion, allows excessive motion, alters direction of motion, or results in loss of axial loading efficiency, or a combination of these;~~

~~(4)~~ (6) "diagnosis" means the physical, clinical, and laboratory examination of the patient, and the use of diagnostic services for diagnostic purposes within the scope of the practice of chiropractic described in sections 148.01 to 148.10;

~~(5)~~ (7) "diagnostic services" means clinical, physical, laboratory, and other diagnostic measures, including diagnostic imaging that may be necessary to determine the presence or absence of a condition, deficiency, deformity, abnormality, or disease as a basis for evaluation of a health concern, diagnosis, differential diagnosis, treatment, further examination, or referral;

(8) "good standing" means that a license is not the subject of current disciplinary action under section 148.10 or an equivalent disciplinary law in another jurisdiction;

(9) "reinstatement" means the process by which a board-terminated license or voluntarily retired license returns to active license status under section 148.071 or 148.076;

~~(6)~~ (10) "therapeutic services" means rehabilitative therapy as defined in Minnesota Rules, part 2500.0100, subpart 11, and all of the therapeutic, rehabilitative, and preventive sciences and procedures for which the licensee was subject to examination under section 148.06~~. When provided, therapeutic services must be performed within a practice where the primary focus is the provision of chiropractic services, to prepare the patient for chiropractic services, or to complement the provision of chiropractic services. The administration of therapeutic services is the responsibility of the treating chiropractor and must be rendered under the direct supervision of qualified staff~~; and

~~(7) "acupuncture" means a modality of treating abnormal physical conditions by stimulating various points of the body or interruption of the cutaneous integrity by needle insertion to secure a reflex relief of the symptoms by nerve stimulation as utilized as an adjunct to chiropractic adjustment.~~

~~Acupuncture may not be used as an independent therapy or separately from chiropractic services. Acupuncture is permitted under section 148.01 only after registration with the board which requires completion of a board-approved course of study and successful completion of a board-approved national examination on acupuncture. Renewal of registration shall require completion of board-approved continuing education requirements in acupuncture. The restrictions of section 147B.02, subdivision 2, apply to individuals registered to perform acupuncture under this section; and~~

~~(8) "animal chiropractic diagnosis and treatment" means treatment that includes identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:~~

~~(i) performing surgery;~~

~~(ii) dispensing or administering of medications; or~~

~~(iii) performing traditional veterinary care and diagnosis.~~

(11) "voluntarily retired license" means a license held by a chiropractor who has changed the chiropractor's license status to a voluntarily retired license under section 148.075.

Sec. 2. Minnesota Statutes 2024, section 148.01, subdivision 4, is amended to read:

Subd. 4. **Practice of chiropractic.** An individual licensed to practice under section 148.06 is authorized to perform chiropractic services~~, acupuncture,~~ and therapeutic services, and to provide diagnosis and to render opinions pertaining to those services for the purpose of determining a course of action in the best interests of the patient, such as a treatment plan, appropriate referral, or both.

Sec. 3. Minnesota Statutes 2024, section 148.01, is amended by adding a subdivision to read:

Subd. 5. **Practice of therapeutic services.** Therapeutic services must be performed within a practice where the primary focus is the provision of chiropractic services, preparing the patient for chiropractic services, or complementing the provision of chiropractic services. The administration of therapeutic services is the responsibility of the treating chiropractor and must be rendered under the direct supervision of qualified staff.

Sec. 4. Minnesota Statutes 2024, section 148.01, is amended by adding a subdivision to read:

Subd. 6. **Practice of acupuncture.** Acupuncture must not be used as an independent therapy or separately from chiropractic services. Acupuncture is permitted under this section only after registration with the board, which requires completing a board-approved course of study and a board-approved national examination on acupuncture. Renewal of registration requires completing board-approved continuing education requirements in acupuncture. The restrictions of section 147B.02, subdivision 2, apply to individuals registered to perform acupuncture under this section.

Sec. 5. **[148.071] REINSTATEMENT OF A LICENSE TERMINATED FOR FAILING TO RENEW OR TO COMPLETE CONTINUING EDUCATION.**

Subdivision 1. **Scope.** This section applies to a chiropractor whose Minnesota license was terminated by the board for failing to timely renew the license or complete annual continuing education requirements.

Subd. 2. **Application requirements.** At the time of application for reinstatement, the applicant must:

(1) submit an application for reinstatement and pay the application fee;

(2) pay the current renewal fee;

(3) complete a criminal background check as prescribed under section 214.075 and pay the required fee;

(4) submit license verification from each jurisdiction where the applicant holds or has held a chiropractic license;

(5) submit evidence of passing the board's jurisprudence exam;

(6) submit evidence of correcting any outstanding requirements and paying any outstanding fees that existed at the time the license was terminated; and

(7) complete any additional applicable requirements established in subdivisions 3, 4, 5, 6, and 9.

Subd. 3. **Reinstatement of terminated license for licensee in good standing in another jurisdiction.** The board must reinstate the license of an applicant who is currently licensed and in good standing in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of the active chiropractic license in good standing in another jurisdiction; and

(3) provides verification of completing 20 continuing education hours in the year immediately preceding the application for reinstatement.

Subd. 4. **Reinstatement of terminated license after five years or less.** The board must reinstate the license of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement five years or less after license termination in Minnesota or another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2; and

(2) provides verification of:

(i) completing 20 continuing education hours for each year since the applicant last held an active license in good standing in Minnesota or another jurisdiction and 20 continuing education hours in the year immediately preceding the application for reinstatement; or

(ii) passing the Special Purposes Examination for Chiropractic, or an alternate examination the board determines is equivalent, within 12 months after application.

Subd. 5. **Reinstatement of terminated license after more than five years.** The board must reinstate the license of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement more than five years after license termination in Minnesota or another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of completing 20 continuing education hours for each year since the applicant last held an active license in good standing in Minnesota or another jurisdiction and 20 continuing education hours in the year immediately preceding the application for reinstatement, not to exceed a maximum of 100 required continuing education hours; and

(3) provides verification of passing the Special Purposes Examination for Chiropractic, or an alternate examination the board determines is equivalent, within 12 months after application.

Subd. 6. **Reinstatement within the same calendar year of continuing education termination.** The board must reinstate the license of an applicant whose license was terminated for failing to submit the required number of continuing education hours if within the same calendar year of termination the applicant:

(1) completes the required number of continuing education hours and outstanding penalty hours imposed by the board; and

(2) pays all application fees and penalty fees.

Subd. 7. **Board authority.** Applications for reinstatement and licenses reinstated under this section are subject to the same board authority under sections 148.10 and 214.103 as other applications and licenses issued by the board to deny, refuse to issue, revoke, suspend, condition, or limit a license or to take disciplinary or corrective action against a licensee or applicant for conduct that violates applicable law or professional standards.

Subd. 8. **Continuing education in year of reinstatement.** A licensee must not use continuing education hours obtained for the purpose of applying for reinstatement of a terminated license under this section to meet the annual hour requirement for the year in which the license is reinstated.

Subd. 9. **Previously terminated licenses.** If a chiropractor's license was terminated before July 1, 2026, and the chiropractor applies for reinstatement under this section, the chiropractor is not required to repay any renewal fees that accrued before the license reinstatement.

Sec. 6. **[148.075] VOLUNTARILY RETIRED LICENSE.**

Subdivision 1. **Application.** A Minnesota licensed chiropractor in good standing and with no continuing education audit deficiencies may apply to the board to voluntarily retire a license by submitting an application on a form provided by the board and a signed affidavit stating that the applicant will no longer actively practice chiropractic in Minnesota.

Subd. 2. **Grounds for denial.** The board may deny an application to voluntarily retire a license if the applicant's Minnesota license or license issued in another jurisdiction is not in good standing or is subject to a pending disciplinary action.

Sec. 7. **[148.076] REINSTATEMENT OF A VOLUNTARILY RETIRED LICENSE.**

Subdivision 1. **Scope.** This section applies to a chiropractor who voluntarily retired a Minnesota chiropractic license under section 148.075.

Subd. 2. **Application requirements.** At the time of application for reinstatement, the applicant must:

(1) submit an application for reinstatement;

(2) pay the current renewal fee;

(3) complete a criminal background check as prescribed under section 214.075 and pay the required fee;

(4) submit license verification from each jurisdiction where the applicant holds or has held a chiropractic license;

(5) submit evidence of passing the board's jurisprudence exam;

(6) submit evidence of correcting any outstanding requirements and paying any outstanding fees that existed at the time the license was voluntarily retired; and

(7) complete any additional applicable requirements in subdivisions 3, 4, 5, and 7.

Subd. 3. **Reinstatement of voluntarily retired license for licensee in good standing in another jurisdiction.** The board must reinstate the license of an applicant who is currently licensed and in good standing in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of the active chiropractic license in good standing in another jurisdiction; and

(3) provides verification of completing 20 continuing education hours in the year immediately preceding the application for reinstatement.

Subd. 4. **Reinstatement of voluntarily retired license after five years or less.** The board must reinstate the license of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement five years or less after voluntary license retirement in Minnesota or the equivalent in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2; and

(2) provides verification of:

(i) completing 20 continuing education hours for each year since the applicant last held an active license in good standing in Minnesota or another jurisdiction and 20 continuing education hours in the year immediately preceding the application for reinstatement; or

(ii) passing the Special Purposes Examination for Chiropractic, or an alternate examination the board determines is equivalent, within 12 months after application.

Subd. 5. **Reinstatement of voluntarily retired license after more than five years.** The board must reinstate the license of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement more than five years after voluntary license retirement in Minnesota or the equivalent in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of completing 20 continuing education hours for each year since the applicant last held an active license in good standing in Minnesota or another jurisdiction and 20 continuing education hours in the year immediately preceding the application for reinstatement, not to exceed a maximum of 100 required continuing education hours; and

(3) provides verification of passing the Special Purposes Examination for Chiropractic, or an alternate examination the board determines is equivalent, within 12 months after application.

Subd. 6. **Board authority.** Applications for reinstatement and licenses reinstated under this section are subject to the same board authority under sections 148.10 and 214.103 as other applications and licenses issued by the board to deny, refuse to issue, revoke, suspend, condition, or limit a license or to take disciplinary or corrective action against a licensee or applicant for conduct that violates applicable law or professional standards.

Subd. 7. **Continuing education in year of reinstatement.** A licensee must not use continuing education hours obtained for the purpose of applying for reinstatement of a voluntarily retired license under this section to meet the annual hour requirement for the year the license is reinstated.

Subd. 8. **Previously voluntarily retired licensees.** (a) If a chiropractor who voluntarily retired before July 1, 2026, applies for reinstatement under this section, the chiropractor is not required to repay any renewal fees that accrued before the license reinstatement.

(b) Before reinstatement under this subdivision, the voluntarily retired licensee must complete any outstanding continuing education hours due at the time the license was voluntarily retired.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 148.09, is amended to read:

148.09 INDEPENDENT EXAMINATION.

Subdivision 1. **Requirements for examiners.** (a) A doctor of chiropractic conducting a physical examination of a patient or a review of records by a doctor of chiropractic, for the purpose of generating a report or opinion to aid a reparation obligor under chapter 65B in making a determination regarding the condition or further treatment of the patient, shall meet the following requirements:

(1) the doctor of chiropractic must either be an instructor at an accredited school of chiropractic or have devoted not less than 50 percent of practice time to direct patient care during the two years immediately preceding the examination;

(2) the doctor of chiropractic must have completed any annual continuing education requirements for chiropractors prescribed by the Board of Chiropractic Examiners;

(3) the doctor of chiropractic must not accept a fee of more than $500 for each independent exam conducted; and

(4) the doctor of chiropractic must register with the Board of Chiropractic Examiners as an independent examiner and adhere to all rules governing the practice of chiropractic.

(b) The examiner must identify in the written report the source of all records reviewed and the dates or period of services covered by those records. The examiner's notes and a copy of the final written report must be retained for at least four years following the examination.

(c) Before conducting an independent examination, the examiner must provide written disclosures to the examinee that clearly state the purpose of the examination and the examinee's right to have a third party present under subdivision 2.

Subd. 2. **Third-party presence during examinations.** (a) An examiner performing an independent examination under this section must not prohibit the examinee from having a third party of the examinee's choice present during the consultation and examination. The examiner must not bar the presence of a third party based on the third party's training or credentials. Advance notice to the examiner or to any other person, organization, or agency is not required for the presence of a third party under this subdivision.

(b) The third party must provide their name to the examiner. The examiner must document the presence and stated identity of any third party in the written report of the examination.

(c) A third party may make a written or audio recording of the consultation or examination if the recording does not obstruct the conduct of the examination. A third party must not make a video recording of the consultation or examination.

(d) An examiner must not consider the examinee's exercise of rights under this subdivision as failing to cooperate with the examination. If an examiner determines that the examination has been obstructed, the examiner must describe in detail the nature of the obstruction in the body of the written report. For purposes of this subdivision, "obstruct" means to hinder the examination to the degree that the examination cannot be completed, unless the obstruction is necessary for the safety or well-being of the patient.

Subd. 3. **Violation.** A violation of this section constitutes unprofessional conduct under section 148.10, subdivision 1, paragraph (e).

Sec. 9. **[148.095] ADMINISTRATIVE HOLD DURING COMPLAINT RESOLUTION PROCESS.**

Subdivision 1. **Administrative hold.** (a) If there is a pending complaint against a licensee and the licensee fails to pay required renewal fees, fails to renew the license, or fails to complete required continuing education hours within the time prescribed by law, the board must place the license on an administrative hold.

(b) A license on an administrative hold:

(1) is expired and does not authorize the licensee to engage in the practice of chiropractic; and

(2) remains under the board's full jurisdiction for all purposes under sections 148.10 and 214.103, including investigation, adjudication, and imposition of discipline.

Subd. 2. **Prohibition on status change while on administrative hold.** (a) If the board places a license on administrative hold, the board must not:

(1) accept an application to voluntarily retire the license under section 148.075;

(2) terminate the license for failing to renew or to complete continuing education requirements; or

(3) otherwise change the license status of the licensee in a manner that allows the licensee to delay, avoid, or terminate the complaint resolution process.

(b) The board must remove the administrative hold upon the resolution of all pending complaints against the licensee.

Subd. 3. **Licensee obligations not suspended.** An administrative hold on a license does not relieve a licensee of the legal obligation to timely renew the license, pay renewal or other required fees, or complete continuing education hours according to law.

Sec. 10. Minnesota Statutes 2024, section 148.10, is amended by adding a subdivision to read:

Subd. 8. **Loss and restoration of good standing.** The pendency of a complaint does not cause a license to lose good standing unless: (1) the complaint results in disciplinary action under this section or an equivalent disciplinary law in another jurisdiction; or (2) a stipulation and order or an equivalent order in another jurisdiction provides for the loss of good standing. A license is restored to good standing upon the satisfactory completion, expiration, or other agreed-upon termination of all terms of a stipulation and order or an equivalent order in another jurisdiction. An agreement for corrective action as described under section 214.103, subdivision 6, does not cause a license to lose good standing.

Sec. 11. Minnesota Statutes 2024, section 148.102, subdivision 3, is amended to read:

Subd. 3. **Insurers.** ~~Two times each year~~ (a) Every January 1 and July 1, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to chiropractors shall submit to the board a report concerning the chiropractors against whom malpractice settlements or awards have been made to the plaintiff. The report must contain at least the following information:

(1) the total number of malpractice settlements or awards made to the plaintiff;

(2) the date the malpractice settlements or awards to the plaintiff were made;

(3) the allegations contained in the claim or complaint leading to the settlements or awards made to the plaintiff;

(4) the dollar amount of each malpractice settlement or award;

(5) the regular address of the practice of the doctor of chiropractic against whom an award was made or with whom a settlement was made; and

(6) the name of the doctor of chiropractic against whom an award was made or with whom a settlement was made.

(b) The insurance company shall, in addition to the above information, report to the board any information it possesses which tends to substantiate a charge that a doctor of chiropractic may have engaged in conduct violating section 148.10 and this section.

Sec. 12. Minnesota Statutes 2024, section 148.105, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Any person who practices, or attempts to practice, chiropractic or who uses any of the terms or letters "Doctors of Chiropractic," "Chiropractor," "DC," or any other title or letters under any circumstances as to lead the public to believe that the person who so uses the terms is engaged in the practice of chiropractic, without having complied with the provisions of sections 148.01 to 148.104, is guilty of a gross misdemeanor; and, upon conviction, fined not less than $1,000 nor more than $10,000 or be imprisoned in the county jail for not less than 30 days nor more than six months or punished by both fine and imprisonment, in the discretion of the court. It is the duty of the county attorney of the county in which the person practices to prosecute. Nothing in sections 148.01 to ~~148.105~~ 148.108 shall be considered as interfering with any person:

(1) licensed by a health-related licensing board, as defined in section 214.01, subdivision 2, including psychological practitioners with respect to the use of hypnosis;

(2) registered or licensed by the commissioner of health under section 214.13; or

(3) engaged in other methods of healing regulated by law in the state of Minnesota;

provided that the person confines activities within the scope of the license or other regulation and does not practice or attempt to practice chiropractic.

Sec. 13. Minnesota Statutes 2025 Supplement, section 148.108, subdivision 5, is amended to read:

Subd. 5. **Chiropractic license fees.** Fees for chiropractic licensure are the following amounts but may be adjusted lower by board action:

(1) initial application for licensure ~~fee~~, $300;

(2) annual renewal of an active license ~~fee~~, $250;

~~(3) annual renewal of an inactive license fee, 75 percent of the current active license renewal fee under clause (2);~~

~~(4)~~ (3) late renewal penalty ~~fee~~, $150 per month late; ~~and~~

~~(5)~~ (4) application for reinstatement of a ~~voluntarily retired or inactive~~ terminated license ~~fee~~, ~~$187.50.~~ $100; and

(5) penalty for failure to complete CE requirements at the time of license renewal:

(i) at the first failure to complete CE requirements at the time of license renewal, the amount of the fee for annual renewal of an active license under clause (2);

(ii) at the second failure to complete CE requirements at the time of license renewal, two times the amount of the fee for annual renewal of an active license under clause (2); and

(iii) at the third failure to complete CE requirements at the time of license renewal and every subsequent failure, three times the amount of the fee for annual renewal of an active license under clause (2).

Sec. 14. **[151.064] APPLICATION EXPIRATION.**

Unless otherwise exempted by this chapter or the rules of the board, an application for initial license or registration, renewal, or reinstatement expires if an applicant, licensee, or registrant fails to complete the application within 12 months of the date the board received the application.

Sec. 15. Minnesota Statutes 2024, section 151.065, subdivision 4a, is amended to read:

Subd. 4a. **Application and fee; relocation.** A person who is registered with or licensed by the board must submit a new application to the board before relocating the physical location of the person's business. An application must be submitted for each affected license. The application must set forth the proposed change of location on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's fiscal year, the relocation application fee is the same as the application fee in subdivision 1, except that the fees in subdivision 1, clauses (6) to (9) and (11) to ~~(16)~~ (15), are reduced by $5,000 and the fee in subdivision 1, clause (16), is reduced by $55,000. If the application is made within ~~60~~ 90 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a relocation, the board shall issue a new license or registration.

Sec. 16. Minnesota Statutes 2024, section 151.065, subdivision 4b, is amended to read:

Subd. 4b. **Application and fee; change of ownership.** (a) A person who is registered with or licensed by the board must submit a new application to the board before changing the ownership of the licensee or registrant. An application must be submitted for each affected license. The application must set forth the proposed change of ownership on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's fiscal year, the application fee is the same as the application fee in subdivision 1, except that the fees in subdivision 1, clauses (6) to (9) and (11) to ~~(16)~~ (15), are reduced by $5,000 and the fee in subdivision 1, clause (16), is reduced

by $55,000. If the application is made within ~~60~~ 90 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a change of ownership, the board shall issue a new license or registration.

(b) The following constitute a change in ownership:

(1) the sale of all or substantially all of the assets of the licensee or registrant;

(2) the addition or removal of one or more partners in a partnership to which a license has been issued;

(3) the transfer of 20 percent or more of the issued voting stock of the licensee or registrant since the original issuance of the license or registration;

(4) the transfer of 20 percent or more ownership interest in the licensee or registrant since the original issuance of the license or registration;

(5) a change in business structure of an owner who possesses 20 percent or more of the issued voting stock of the licensee or registrant; and

(6) a change in business structure of an owner who possesses 20 percent or more ownership interest in the licensee or registrant.

(c) Paragraph (b), clauses (3) and (4), do not apply if the issued voting stock of the licensee or registrant is actively traded on any securities exchange or any over-the-counter market.

(d) "Change in business structure" means a change in the structure of a business between a sole proprietorship, partnership, limited liability company, or corporation.

Sec. 17. Minnesota Statutes 2024, section 151.065, is amended by adding a subdivision to read:

Subd. 4c. **Application and fee; change in business structure.** (a) A person who is registered with or licensed by the board must submit a new application to the board before changing the business structure of the licensee or registrant. A person must submit an application for each affected license. The application must set forth the proposed change of business structure on a form established by the board. If the licensee or registrant remitted payment for the full amount during the state's fiscal year, the application fee is the same as the application fee in subdivision 1, except that the fees in subdivision 1, clauses (6) to (9) and (11) to (15), are reduced by $5,000 and the fee in subdivision 1, clause (16), is reduced by $55,000. If the person submits the application within 90 days before the date of the original license or registration expiration, the applicant must pay the full application fee provided in subdivision 1. Upon approval of an application for a change in business structure, the board shall issue a new license or registration.

(b) "Changing the business structure" means a change in the structure of a business between a sole proprietorship, partnership, limited liability company, or corporation.

Sec. 18. Minnesota Statutes 2024, section 151.065, is amended by adding a subdivision to read:

Subd. 4d. **Temporary use of license or registration.** Unless otherwise exempted by this chapter or the rules of the board, if the physical location of a person's business, the ownership of the licensee or registrant, or the business structure of the licensee or registrant changes under subdivision 4a, 4b, or 4c, the original license or registration expires when the board issues a new license or registration or 30 days after the effective date of the change, whichever is earlier. An expired license or registration is void. A licensee or registrant must surrender an expired license or registration to the board.

Sec. 19. **[151.099] POSTING REQUIREMENT.**

A licensee or registrant must post the license or registration most recently issued by the board in a conspicuous place within or adjacent to the licensed or registered facility at which the licensee or registrant is employed.

Sec. 20. **[151.125] LICENSE AND REGISTRATION EXPIRATION AND RENEWAL.**

Subdivision 1. **License expiration and renewal.** (a) A pharmacist license expires on the last day of February each year. A pharmacist must renew the license annually by filing an application for license renewal and submitting the fee established in section 151.065 on or before February 1 each year. A pharmacist license renewal application received after February 1 is subject to the late filing fee in section 151.065.

(b) A pharmacy license expires June 30 each year. A pharmacy must renew the license annually by filing an application for license renewal and submitting the fee established in section 151.065 on or before June 1 each year. A pharmacy license renewal application received after June 1 is subject to the late filing fee in section 151.065.

(c) A manufacturer license expires May 31 each year. A manufacturer must renew the license annually by filing an application for license renewal and submitting the fee established in section 151.065 on or before May 1 each year. A manufacturer license renewal application received after May 1 is subject to the late filing fee in section 151.065.

(d) A wholesale distributor license expires May 31 each year. A wholesale distributor must renew the license annually by filing an application for license renewal and submitting the fee established in section 151.065 on or before May 1 each year. A wholesale distributor license renewal application received after May 1 is subject to the late filing fee in section 151.065.

(e) A third-party logistics provider license expires October 31 each year. A third-party logistics provider must renew the license annually by filing an application for license renewal and submitting the fee established in section 151.065 on or before October 1 each year. A third-party logistics provider license renewal application received after October 1 is subject to the late filing fee in section 151.065.

Subd. 2. **Registration and permit expiration and renewal.** (a) A pharmacy technician registration expires December 31 each year. A pharmacy technician must renew the registration annually by filing an application for registration renewal and submitting the fee established in section 151.065 on or before December 1 each year. A technician registration renewal application received after December 1 is subject to the late filing fee in section 151.065.

(b) A controlled substance researcher permit expires May 31 each year. A controlled substance researcher must renew the permit annually by filing an application for permit renewal and submitting the fee established in section 151.065 on or before May 1 each year. A controlled substance researcher renewal application received after May 1 is subject to the late filing fee in section 151.065.

(c) A medical gas dispenser registration expires November 30 each year. A medical gas dispenser must renew the registration annually by filing an application for registration renewal and submitting the fee established in section 151.065 on or before November 1 each year. A medical gas dispenser registration renewal application received after November 1 is subject to the late filing fee in section 151.065.

Subd. 3. **Time limit for renewal.** (a) Unless otherwise exempted in this chapter or by the rules of the board, a pharmacist or pharmacy technician must not pursue renewal under this section if a license or registration has been expired for more than 24 months and must instead pursue reinstatement under section 151.14. A pharmacist may apply for renewal within 24 months of expiration without examination.

(b) Unless otherwise exempted by this chapter or by the rules of the board, a licensee or registrant not subject to paragraph (a) must not pursue renewal under this section if a license or registration has been expired for more than 12 months and must instead pursue reinstatement under section 151.14.

Subd. 4. **Prohibition on practice.** A licensee or registrant whose license or registration has expired must not practice using that license or registration until the license or registration is either renewed under this section or reinstated under section 151.14.

Sec. 21. Minnesota Statutes 2024, section 151.14, is amended to read:

151.14 REINSTATEMENTS.

(a) Any ~~person~~ pharmacist or pharmacy technician who has been licensed or registered by the board and has defaulted in the payment of the renewal fee may ~~be reinstated within two years~~ apply for reinstatement after 24 months of such default ~~without examination,~~ upon payment of ~~the~~ any fees and late fees in arrears and upon compliance with the ~~provisions of section 151.13, subdivision 2~~ continuing education requirements under this chapter and the rules of the board.

(b) Unless otherwise exempted in this chapter or by the rules of the board, a licensee or registrant not subject to paragraph (a) may apply for reinstatement of an expired license or registration after 12 months from the expiration by paying all late and renewal fees and all arrears in section 151.065.

Sec. 22. **[151.145] EXTENSION AND PRORATION OF INITIAL, LATE RENEWAL, AND REINSTATEMENT APPLICATIONS.**

If the board receives an initial, late renewal, or reinstatement application within 90 days before the applicable license or registration type expires under section 151.125, subdivision 1 or 2, the board may extend the license or registration date for that applicant to the subsequent calendar year and prorate the application fee accordingly.

Sec. 23. Minnesota Statutes 2024, section 151.19, subdivision 1, is amended to read:

Subdivision 1. **Pharmacy licensure requirements.** (a) No person shall operate a pharmacy without first obtaining a license from the board and paying any applicable fee specified in section 151.065. The license shall be displayed in a conspicuous place in the pharmacy for which it is issued and expires on June 30 following the date of issue. It is unlawful for any person to operate a pharmacy unless ~~the~~ a license has been issued to the person by the board.

(b) Application for a pharmacy license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a pharmacy located within the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal and state law and according to rules adopted by the board. No license shall be issued or renewed for a pharmacy located outside of the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal law and, when dispensing medications for residents of this state, the laws of this state, and Minnesota Rules.

(d) No license shall be issued or renewed for a pharmacy that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of such licensure or registration.

(e) The board shall require a separate license for each pharmacy located within the state and for each pharmacy located outside of the state at which any portion of the dispensing process occurs for drugs dispensed to residents of this state.

(f) Prior to the issuance of an initial or renewed license for a pharmacy, the board may require the pharmacy to pass an inspection conducted by an authorized representative of the board. In the case of a pharmacy located outside of the state, ~~the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless~~ the applicant ~~furnishes~~ must furnish the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may ~~deny licensure~~ refuse to issue or renew any license or may deny a category of license under Minnesota Rules, part 6800.0350, unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) The board shall not issue an initial or renewed license for a pharmacy located outside of the state unless the applicant discloses and certifies:

(1) the location, names, and titles of all principal corporate officers and all pharmacists who are involved in dispensing drugs to residents of this state;

(2) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(3) that it agrees to cooperate with, and provide information to, the board concerning matters related to dispensing drugs to residents of this state;

(4) that, during its regular hours of operation, but no less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communication between

patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state; and

(5) that, upon request of a resident of a long-term care facility located in this state, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf of the resident, the pharmacy will dispense medications prescribed for the resident in unit-dose packaging or, alternatively, comply with section 151.415, subdivision 5.

(h) This subdivision does not apply to a manufacturer licensed under section 151.252, subdivision 1, a wholesale drug distributor licensed under section 151.47, or a third-party logistics provider, to the extent the manufacturer, wholesale drug distributor, or third-party logistics provider is engaged in the distribution of dialysate or devices necessary to perform home peritoneal dialysis on patients with end-stage renal disease, if:

(1) the manufacturer or its agent leases or owns the licensed manufacturing or wholesaling facility from which the dialysate or devices will be delivered;

(2) the dialysate is comprised of dextrose or icodextrin and has been approved by the United States Food and Drug Administration;

(3) the dialysate is stored and delivered in its original, sealed, and unopened manufacturer's packaging;

(4) the dialysate or devices are delivered only upon:

(i) receipt of a physician's order by a Minnesota licensed pharmacy; and

(ii) the review and processing of the prescription by a pharmacist licensed by the state in which the pharmacy is located, who is employed by or under contract to the pharmacy;

(5) prescriptions, policies, procedures, and records of delivery are maintained by the manufacturer for a minimum of three years and are made available to the board upon request; and

(6) the manufacturer or the manufacturer's agent delivers the dialysate or devices directly to:

(i) a patient with end-stage renal disease for whom the prescription was written or the patient's designee, for the patient's self-administration of the dialysis therapy; or

(ii) a health care provider or institution, for administration or delivery of the dialysis therapy to a patient with end-stage renal disease for whom the prescription was written.

Sec. 24. Minnesota Statutes 2024, section 214.41, is amended to read:

214.41 ~~PHYSICIAN~~ HEALTH CARE PROVIDER WELLNESS PROGRAM.

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

(b) "Health care provider" or "provider" means an individual who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law.

(c) "~~physician~~ Health care provider wellness program" means a program for health care providers of evaluation, counseling, or other modality to address an issue related to career fatigue or wellness related to work stress ~~for physicians licensed under chapter 147~~ that is administered by a statewide association that is exempt from taxation under United States Code, title 26, section 501(c)(6), and that primarily represents physicians and osteopaths of multiple specialties. ~~Physician~~ Health care provider wellness program does not include the provision of services intended to monitor for impairment under the authority of section 214.31.

Subd. 2. **Confidentiality.** Any record of a ~~person's~~ health care provider's participation in a ~~physician~~ health care provider wellness program is confidential and not subject to discovery, subpoena, or a reporting requirement to the applicable health-related licensing board or to the commissioner of health, unless the ~~person~~ provider voluntarily provides for written release of the information or the disclosure is required to meet the ~~licensee's~~ provider's obligation to report certain information to the applicable health-related licensing board or the commissioner of health according to ~~section 147.111~~ law governing the practice of the provider's profession.

Subd. 3. **Civil liability.** Any person, agency, institution, facility, or organization employed by, contracting with, or operating a ~~physician~~ health care provider wellness program is immune from civil liability for any action related to their duties in connection with a ~~physician~~ health care provider wellness program when acting in good faith.

Sec. 25. **TRANSITION OF INACTIVE LICENSES.**

On July 1, 2026, the Board of Chiropractic Examiners must administratively change all chiropractic licenses put on inactive license status under Minnesota Rules, part 2500.2020, before that date to a voluntarily retired license under Minnesota Statutes, section 148.075.

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

Sec. 26. **INTERIM CHIROPRACTIC ACUPUNCTURE REGISTRATION REINSTATEMENT PROCEDURES.**

Subdivision 1. **Scope.** This section applies to a chiropractor whose Minnesota chiropractic acupuncture registration was canceled.

Subd. 2. **Application requirements.** At the time of application for reinstatement of an acupuncture registration, the applicant must:

(1) hold an active Minnesota chiropractic license;

(2) submit an application for reinstatement;

(3) pay the current renewal fee;

(4) submit license verification from each jurisdiction where the applicant holds or has held a chiropractic license; and

(5) complete any additional applicable requirements as established in subdivisions 3, 4, and 5.

Subd. 3. **Reinstatement of canceled registration for registrant in good standing in another jurisdiction.** The board must reinstate the chiropractic acupuncture registration of an applicant in good standing in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of a chiropractic acupuncture credential in good standing from each jurisdiction where the applicant is authorized to perform chiropractic acupuncture; and

(3) provides verification of completing two continuing education units in acupuncture or acupuncture-related subjects in the year immediately preceding the application for reinstatement.

Subd. 4. **Reinstatement of canceled registration after five years or less.** The board must reinstate the chiropractic acupuncture registration of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement five years or less after the Minnesota registration cancellation if the applicant:

(1) completes all requirements in subdivision 2; and

(2) provides verification of:

(i) completing two continuing education hours in acupuncture or acupuncture-related subjects for each year since the applicant last held an active chiropractic acupuncture registration in Minnesota or credential in another jurisdiction; or

(ii) passing the National Board of Chiropractic Examiners Acupuncture Examination or the National Certification Commission for Acupuncture and Oriental Medicine (NCCAOM) Examination, or an alternate examination the board determines is equivalent, within 12 months after application.

Subd. 5. **Reinstatement of canceled registration license after more than five years.** The board must reinstate the chiropractic acupuncture registration of an applicant who does not meet the requirements of subdivision 3 and who applies for reinstatement more than five years after the Minnesota registration cancellation if the applicant:

(1) completes all requirements in subdivision 2; and

(2) provides verification of passing either the National Board of Chiropractic Examiners Acupuncture Examination or the NCCAOM Examination, or an alternative examination the board determines is equivalent, within 12 months after application.

Subd. 6. **Continuing education in year of reinstatement.** A licensee must not use continuing education units obtained for the purpose of applying for reinstatement of a canceled registration under this section to meet the annual requirement for the year the license is reinstated.

Subd. 7. **Board authority.** Applications for reinstatement and registrations reinstated under this section are subject to the same board authority under Minnesota Statutes, sections 148.10 and 214.103, as other applications and registrations issued by the board to deny, refuse to issue, revoke,

suspend, condition, or limit a license or to take disciplinary or corrective action against a registrant or applicant for conduct that violates applicable law or professional standards.

Subd. 8. **Expiration.** This section expires on the date the rules required under section 25, paragraph (a), become effective.

Sec. 27. **INTERIM ANIMAL CHIROPRACTIC REGISTRATION REINSTATEMENT PROCEDURES.**

Subdivision 1. **Scope.** This section applies to a chiropractor whose Minnesota animal chiropractic registration was canceled.

Subd. 2. **Application requirements.** At the time of application for reinstatement of an animal chiropractic registration, the applicant must:

(1) hold an active Minnesota chiropractic license;

(2) submit an application for reinstatement;

(3) pay the current renewal fee;

(4) submit license verification from each jurisdiction where the applicant holds or has held a chiropractic license; and

(5) complete any additional applicable requirements as established in subdivisions 3 and 4.

Subd. 3. **Reinstatement of canceled registration for registrant in good standing in another jurisdiction.** The board must reinstate the animal chiropractic registration of an applicant who holds an animal chiropractic credential that is equivalent to a Minnesota registration and in good standing in another jurisdiction if the applicant:

(1) completes all requirements in subdivision 2;

(2) provides verification of an animal acupuncture credential in good standing from each jurisdiction where the applicant is authorized to perform animal acupuncture; and

(3) provides verification of completing six continuing education units in animal chiropractic diagnosis and treatment in the year immediately preceding the application for reinstatement.

Subd. 4. **Reinstatement of canceled registration for registrant with no animal chiropractic credential in good standing in another jurisdiction.** The board must reinstate the registration of an applicant who does not meet the requirements of subdivision 3 if the applicant:

(1) completes all requirements in subdivision 2; and

(2) provides verification of completing six continuing education units related to animal chiropractic diagnosis and treatment for each year the applicant cannot verify an active animal chiropractic credential that is equivalent to a Minnesota registration and in good standing.

Subd. 5. **Continuing education in year of reinstatement.** A licensee must not use continuing education hours obtained for the purposes of applying for reinstatement of a canceled registration under this section to meet the annual hour requirement for the year the license is reinstated.

Subd. 6. **Board authority.** Applications for reinstatement and registrations reinstated under this section are subject to the same board authority under Minnesota Statutes, sections 148.10 and 214.103, as other applications and registrations issued by the board to deny, refuse to issue, revoke, suspend, condition, or limit a license or to take disciplinary or corrective action against a registrant or applicant for conduct that violates applicable law or professional standards.

Subd. 7. **Expiration.** This section expires on the date the rules required under section 25, paragraph (a), become effective.

Sec. 28. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A to the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering:

Column A	Column B
148.01, subdivision 1a	148.032, subdivision 1
148.01, subdivision 1b	148.032, subdivision 2
148.01, subdivision 1c	148.032, subdivision 3
148.01, subdivision 1d	148.032, subdivision 4
148.032, paragraphs (a) and (b)	148.032, subdivision 5, paragraphs (a) and (b)
148.032, paragraphs (c) and (d)	148.032, subdivision 6, paragraphs (a) and (b)
148.032, paragraph (e)	148.032, subdivision 7

Sec. 29. **REPEALER.**

(a) Minnesota Statutes 2024, section 151.13, is repealed.

(b) Minnesota Rules, parts 2500.0100, subparts 5b, 6, and 12; 2500.1900; 2500.2020; 2500.2040; 2500.2100; 2500.2110; 6800.0400; and 6800.1150, are repealed.

ARTICLE 2

DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2025 Supplement, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Health and

Education Facilities Authority, ~~the Health Technology Advisory Committee,~~ the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District~~, a member of the Health Technology Advisory Committee,~~ and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2024, section 62D.02, subdivision 7, is amended to read:

Subd. 7. **Comprehensive health maintenance services.** "Comprehensive health maintenance services" means a set of comprehensive health services which the enrollees might reasonably require to be maintained in good health including as a minimum, but not limited to, emergency care, emergency ground ambulance transportation services, inpatient hospital and physician care, outpatient health services and preventive ~~health~~ items and services.

Sec. 3. Minnesota Statutes 2024, section 62D.02, is amended by adding a subdivision to read:

Subd. 18. **Service area.** "Service area" means the geographic locations where the health maintenance organization is approved by the commissioner to sell health maintenance organization products. Geographic locations shall be identified according to recognized political subdivisions such as cities, counties, and townships.

Sec. 4. Minnesota Statutes 2024, section 62D.08, subdivision 5, is amended to read:

Subd. 5. **Changes in participating entities; penalty.** Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a ~~provider~~ participating entity for cause, death, disability, or loss of license, the health maintenance organization must notify the

commissioner within ten working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to $200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Sec. 5. Minnesota Statutes 2024, section 62D.08, subdivision 6, is amended to read:

Subd. 6. **Quarterly financial statements.** (a) A health maintenance organization shall submit to the commissioner unaudited financial statements of the organization for the first three quarters of the year on forms prescribed by the commissioner. The statements are due 30 days after the end of the quarter and shall be maintained as nonpublic data, as defined by section 13.02, subdivision 9. Unaudited financial statements for the fourth quarter shall be submitted at the request of the commissioner.

(b) Every health maintenance organization must directly allocate administrative expenses to specific lines of business or products when such information is available. Remaining expenses that cannot be directly allocated must be allocated based on other methods, as recommended by the Advisory Group on Administrative Expenses. Health maintenance organizations must submit this information, including administrative expenses for dental services, using the reporting template provided by the commissioner of health.

(c) Every health maintenance organization must allocate investment income based on cumulative net income over time by business line or product and must submit this information, including investment income for dental services, using the reporting template provided by the commissioner of health.

Sec. 6. Minnesota Statutes 2024, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. **Marketing requirements.** (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of enrollee information and rights as described in section 62D.07, subdivision 3, clauses (2) and (3). Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner of health, or, if applicable, the employer.

(b) Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:

(1) health care services not provided;

(2) health care services requiring co-payments or deductibles paid by enrollees;

(3) the fact that access to health care services does not guarantee access to a particular provider or provider type; and

(4) health care services that are or may be provided only by referral of a physician, advanced practice registered nurse, or physician assistant.

(c) No marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraphs (b) and (c) are not required on billboards or image, and name identification advertisement.

Sec. 7. Minnesota Statutes 2024, section 62D.09, subdivision 5, is amended to read:

Subd. 5. **Participating providers.** (a) Health maintenance organizations shall ~~provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request~~ publish an up-to-date, accurate, and complete provider directory, including information on which providers are accepting new patients, the provider's location, contact information, specialty, medical group, and any institutional affiliations, in a manner that is easily accessible to enrollees and potential enrollees. Health maintenance organizations need not provide the names of their employed providers.

(b) Upon request, a health maintenance organization shall provide a hard copy of the provider directory to enrollees or potential enrollees.

Sec. 8. Minnesota Statutes 2024, section 62D.124, subdivision 6, is amended to read:

Subd. 6. **Provider network notifications.** (a) A health maintenance organization must provide on the organization's website the provider network for each product offered by the organization, and must update the organization's website at least once a month with any changes to the organization's provider network, including provider changes from in-network status to out-of-network status. A health maintenance organization must also provide on the organization's website, for each product offered by the organization, a list of the current waivers of the requirements in subdivision 1 or 2, in a format that is easily accessed and searchable by enrollees and prospective enrollees.

(b) Upon notification from an enrollee, a health maintenance organization must reprocess any claim for services provided by a provider whose status has changed from in-network to out-of-network as an in-network claim if the service was provided after the network change went into effect but before the change was posted as required under paragraph (a), unless the health maintenance organization notified the enrollee of the network change prior to the service being provided. This paragraph does not apply if the health maintenance organization is able to verify that the health maintenance organization's website displayed the correct provider network status on the health maintenance organization's website at the time the service was provided.

Sec. 9. Minnesota Statutes 2024, section 62J.17, subdivision 6a, is amended to read:

Subd. 6a. **Prospective review and approval.** (a) No health care provider subject to prospective review under this subdivision shall make a major spending commitment unless:

(1) the provider has filed an application with the commissioner to proceed with the major spending commitment and has provided all supporting documentation and evidence requested by the commissioner; and

(2) the commissioner determines, based upon this documentation and evidence, that the major spending commitment is appropriate under the criteria provided in subdivision 5a in light of the alternatives available to the provider.

(b) A provider subject to prospective review and approval shall submit an application to the commissioner before proceeding with any major spending commitment. The provider may submit information, with supporting documentation, regarding why the major spending commitment should be excepted from prospective review under subdivision 7.

(c) The commissioner shall determine, based upon the information submitted, whether the major spending commitment is appropriate under the criteria provided in subdivision 5a, or whether it should be excepted from prospective review under subdivision 7. In making this determination, the commissioner may also consider relevant information from other sources. ~~At the request of the commissioner, the health technology advisory committee shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, health care expenditures, and capital expenditures to review applications and make recommendations to the commissioner.~~ The commissioner shall make a decision on the application within 60 days after an application is received.

(d) The commissioner of health has the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.

Sec. 10. Minnesota Statutes 2024, section 62J.2930, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of health shall establish an information clearinghouse within the Department of Health to facilitate the ability of consumers, employers, providers, health plan companies, and others to obtain information on health reform activities in Minnesota. The commissioner shall make available through the clearinghouse updates on federal and state health reform activities, including information developed or collected by the Department of Health on cost containment or other research initiatives, the development of voluntary purchasing pools, action plans submitted by health plan companies, reports or recommendations of ~~the Health Technology Advisory Committee and other~~ entities on technology assessments, and reports or recommendations from other formal committees applicable to health reform activities. The clearinghouse shall also refer requestors to sources of further information or assistance. The clearinghouse is subject to chapter 13.

Sec. 11. Minnesota Statutes 2024, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the

Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

(c) No later than January 1, 2016, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

(d) Starting January 1, 2027, providers and group purchasers must exchange prescription drug prior authorization request transactions electronically using the NCPDP SCRIPT Standard.

Sec. 12. Minnesota Statutes 2024, section 62J.536, subdivision 2a, is amended to read:

Subd. 2a. **Group purchasers not covered by HIPAA.** ~~For transactions with~~ (a) Group purchasers defined in section 62J.03, subdivision 6, that are not covered under United States Code, title 42, sections 1320d to 1320d-8, ~~the requirements of this section are modified as follows:~~ are exempt from the requirements of subdivision 1, paragraphs (a) and (b), to accept and transmit the eligibility for a health plan transaction described in Code of Federal Regulations, title 45, part 162, subpart L.

~~(1) The group purchasers may be exempt from one or more of the requirements to exchange claims and eligibility information electronically using the transactions, companion guides, implementation guides, and timelines in subdivision 1 if the commissioner of health determines that:~~

~~(i) a transaction is incapable of exchanging data that are currently being exchanged on paper and is necessary to accomplish the purpose of the transaction; or~~

~~(ii) another national electronic transaction standard would be more appropriate and effective to accomplish the purpose of the transaction.~~

~~(2) If group purchasers are exempt from one or more of the requirements to exchange claims and eligibility information electronically using the transactions, companion guides, implementation guides, and timelines in subdivision 1, providers shall also be exempt from exchanging those transactions with the group purchaser.~~

~~(3) If the commissioner of health exempts a group purchaser from one or more of the requirements because a transaction is incapable of exchanging data that are currently being exchanged on paper and are necessary to accomplish the purpose of the transaction, the commissioner shall review that exemption annually. If the commissioner determines that the exemption is no longer necessary or appropriate, the commissioner of health shall adopt rules pursuant to section 62J.61 establishing and requiring group purchasers and health care providers to use the transactions and the uniform, standard companion guides required under subdivision 1, paragraph (e). Group purchasers and providers shall have 12 months to implement any rules adopted.~~

~~(4) If the commissioner of health exempts a group purchaser from one or more of the requirements because another national electronic transaction standard would be more appropriate and effective to accomplish the purpose of the transaction, the commissioner shall adopt rules pursuant to section 62J.61 establishing and requiring group purchasers and health care providers to use the national electronic transaction standard. Group purchasers and providers shall have 12 months to implement any rules adopted.~~

~~(5) The requirement of paper claims attachments shall not indicate that a health care claims or equivalent encounter information transaction described under Code of Federal Regulations, title 45, part 162, subpart K, is incapable of exchanging data that are currently being exchanged on paper provided that the electronic health care claims transaction has a mechanism to link the paper attachments to the electronic claim.~~

(b) Providers exchanging transactions with exempt group purchasers are exempt from the requirements in subdivision 1, paragraphs (a) and (b), to accept and transmit the eligibility for a health plan transaction described in Code of Federal Regulations, title 45, part 162, subpart L.

Sec. 13. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 2, is amended to read:

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

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 42, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means:

(1) a drug manufacturer licensed under section 151.252~~.~~; or

(2) an entity that sets the wholesale acquisition cost for prescription drugs that are distributed in Minnesota.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration (FDA) for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(k) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

(l) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

(m) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

(n) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

(o) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy by the Board of Pharmacy under section 151.19.

(p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

(q) "Pricing unit" means the ~~smallest dispensable amount of a prescription drug product that could be dispensed or administered~~ standard unit of measure, such as milliliter, gram, or each, of a prescription drug product.

(r) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations, including reconciliations that also reflect other contractual arrangements, or by any other method. Rebate does not mean a bona fide service fee as defined in Code of Federal Regulations, title 42, section 447.502.

(s) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

(t) "Wholesale drug distributor" or "wholesaler" means an entity that is licensed to act as a wholesale drug distributor under section 151.47.

Sec. 14. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was $100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description and price of the drug and the net increase, expressed as a percentage, with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the year the prescription drug was introduced for sale in the United States;

(5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase;

(6) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(7) the number of units of the prescription drug sold during the previous 12-month period;

(8) the total sales revenue for the prescription drug during the previous 12-month period;

(9) the total rebate payable amount accrued for the prescription drug during the previous 12-month period;

(10) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

(11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

(12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(13) the patent expiration date of the prescription drug if it is under patent;

(14) the name and location of the company that manufactured the drug;

(15) if a brand name prescription drug, the highest ~~price~~ amount paid for a drug product with the same generic drug description or nontrade name, dosage form, strength, and, where available, package size of the prescription drug during the previous calendar year in the ten countries, excluding the United States, that charged the highest single ~~price~~ amount for the prescription drug~~; and~~. Where a package size equivalent is not available, the value provided should represent the amount paid per unit of measure of the drug product multiplied by the total package size in the United States of the prescription drug reported;

(16) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 15. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 10, is amended to read:

Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than January 31, 2024, and up to quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the commissioner determines to represent a substantial public interest and for which the commissioner intends to request data under subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion of prescription drugs on any information the commissioner determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the commissioner shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or

(3) that are identified by members of the public during a public comment process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of:

(1) the requirement to report under subdivisions 11 to 14; and

(2) the reporting period for which data must be provided.

(c) The commissioner must not designate more than 500 prescription drugs as having a substantial public interest in any one notice.

(d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14, including section 14.386, in implementing this subdivision.

Sec. 16. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 11, is amended to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivision 3 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the year the prescription drug was introduced for sale in the United States;

(5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

(6) the direct costs incurred during the reporting period specified in the notification to report by the manufacturers that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(7) the number of units of the prescription drug sold during the reporting period specified in the notification to report;

(8) the total sales revenue for the prescription drug during the reporting period specified in the notification to report;

(9) the total rebate payable amount accrued for the prescription drug during the reporting period specified in the notification to report;

(10) the manufacturer's net profit attributable to the prescription drug during the reporting period specified in the notification to report;

(11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the reporting period specified in the notification to report, if applicable;

(12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(13) the patent expiration date of the prescription drug if the prescription drug is under patent;

(14) the name and location of the company that manufactured the drug;

(15) if the prescription drug is a brand name prescription drug, the ten countries other than the United States that paid the highest ~~prices~~ amounts for a drug product with the same generic drug description or nontrade name, dosage form, strength, and, where available, package size of the prescription drug during the previous calendar year and their ~~prices~~ amounts. Where a package size equivalent is not available, the value provided should represent the amount paid per unit of measure of the drug product multiplied by the total package size in the United States of the prescription drug reported; and

(16) if the prescription drug was acquired by the manufacturer within the reporting period specified in the notification to report, all of the following information:

(i) the price at acquisition;

(ii) the price in the calendar year prior to acquisition;

(iii) the name of the company from which the drug was acquired;

(iv) the date of acquisition; and

(v) the acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 17. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 12, is amended to read:

Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the pharmacy by the department under subdivision 10; and

(2) that the pharmacy dispensed in Minnesota or mailed to a Minnesota address.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug acquired during the reporting period specified in the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the reporting period specified in the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the reporting period specified in the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug including ingredient cost, dispensing fee, and administrative fees during the reporting period specified in the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the reporting period specified in the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the reporting period specified in the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

(d) The commissioner may grant extensions, exemptions, or both to compliance with the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy. The commissioner may establish procedures for small or independent pharmacies to request extensions or exemptions under this paragraph.

Sec. 18. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 13, is amended to read:

Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the PBM by the department under subdivision 10; and

(2) for which the PBM fulfilled pharmacy benefit management duties for Minnesota residents.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled during the reporting period specified in the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled during the reporting period specified in the notification to report;

(4) the total reimbursement amount accrued and receivable from payers for pricing units of the drug product filled during the reporting period specified in the notification to report;

(5) the total administrative fee amount accrued and receivable from payers for pricing units of the drug product filled during the reporting period specified in the notification to report;

(6) the total rebate receivable amount accrued by the PBM for the drug product during the reporting period specified in the notification to report; ~~and~~

(7) the total rebate payable amount accrued by the PBM for the drug product during the reporting period specified in the notification to report~~.~~;

(8) the name of any entity, including but not limited to a group purchasing organization, that the PBM contracts with or owns, in part or in full, that negotiates rebates for the drug product during the reporting period specified in the notification to report;

(9) the total amount accrued and receivable from all organizations reported under clause (8) for the drug product during the reporting period specified in the notification to report; and

(10) of the amount reported under clause (9), the percentage that is accrued and payable to health plan companies or other entities for the drug product during the reporting period specified in the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 19. Minnesota Statutes 2025 Supplement, section 62J.84, subdivision 14, is amended to read:

Subd. 14. **Wholesale drug distributor prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor that distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state, must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the wholesale drug distributor by the department under subdivision 10; and

(2) that the wholesale drug distributor distributed within or into Minnesota.

(b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the reporting period specified in the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the reporting period specified in the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the reporting period specified in the notification to report;

(6) the gross revenue from sales in the United States generated by the wholesale drug distributor for the drug product during the reporting period specified in the notification to report; ~~and~~

(7) the total rebate payable amount accrued by the wholesale drug distributor for the drug product during the reporting period specified in the notification to report~~.~~;

(8) the name of any entity, including but not limited to a group purchasing organization that the wholesaler contracts with or owns, in part or in full, that negotiates rebates for the drug product during the reporting period specified in the notification to report;

(9) the total receivable amount accrued from all organizations reported under clause (8) for the drug product during the reporting period specified in the notification to report; and

(10) of the amount reported under clause (9), the percentage that is accrued and payable to other entities for the drug product during the reporting period specified in the notification to report.

(c) The wholesale drug distributor may submit any documentation necessary to support the information reported under this subdivision.

Sec. 20. Minnesota Statutes 2024, section 62K.02, subdivision 2, is amended to read:

Subd. 2. **Scope.** (a) This chapter applies only to health plans offered in the individual market or the small group market, including stand-alone dental plans.

(b) This chapter applies to health carriers with respect to individual health plans and small group health plans, unless otherwise specified.

(c) If a health carrier issues or renews individual or small group health plans in other states, this chapter applies only to health plans issued or renewed in this state to a Minnesota resident, or to cover a resident of the state, or issued or renewed to a small employer that is actively engaged in business in this state, unless otherwise specified.

(d) This chapter does not apply to short-term coverage as defined in section 62A.65, subdivision 7, or grandfathered plan coverage as defined in section 62A.011, subdivision 1b.

Sec. 21. Minnesota Statutes 2024, section 62K.03, subdivision 6, is amended to read:

Subd. 6. **Health plan.** "Health plan" means a health plan as defined in section 62A.011, subdivision 3, and includes stand-alone dental plans.

Sec. 22. Minnesota Statutes 2024, section 62K.075, is amended to read:

62K.075 PROVIDER NETWORK NOTIFICATIONS.

(a) A health carrier must provide on the carrier's website the provider network for each product offered by the carrier, and must update the carrier's website at least once a month with any changes to the carrier's provider network, including provider changes from in-network status to out-of-network

status. A health carrier must also provide on the carrier's website, for each product offered by the carrier, a list of the current waivers of the requirements in section 62K.10, subdivision 2 ~~or 3~~, in a format that is easily accessed and searchable by enrollees and prospective enrollees.

(b) Upon notification from an enrollee, a health carrier must reprocess any claim for services provided by a provider whose status has changed from in-network to out-of-network as an in-network claim if the service was provided after the network change went into effect but before the change was posted as required under paragraph (a) unless the health carrier notified the enrollee of the network change prior to the service being provided. This paragraph does not apply if the health carrier is able to verify that the health carrier's website displayed the correct provider network status on the health carrier's website at the time the service was provided.

(c) The limitations of section 62Q.56, subdivision 2a, shall apply to payments required by paragraph (b).

Sec. 23. Minnesota Statutes 2025 Supplement, section 62K.10, subdivision 2, is amended to read:

Subd. 2. **Time and distance standards.** Health carriers must meet the time and distance standards under Code of Federal Regulations, title 45, section 155.1050, for all covered health services, including dental, retail pharmacy, and specialty services.

Sec. 24. Minnesota Statutes 2024, section 62K.105, is amended to read:

62K.105 NETWORK ADEQUACY COMPLAINTS.

The commissioner of health shall establish a clear, easily accessible process for accepting complaints from enrollees regarding health carrier compliance with section 62K.10, subdivision 2~~, 3,~~ or 4. Using this process, an enrollee may file a complaint with the commissioner that a health carrier is not in compliance with the requirements of section 62K.10, subdivision 2~~, 3,~~ or 4. The commissioner of health shall investigate all complaints received under this section.

Sec. 25. Minnesota Statutes 2024, section 62K.14, is amended to read:

62K.14 LIMITED-SCOPE PEDIATRIC DENTAL PLANS.

(a) Limited-scope pediatric dental plans must be offered to the extent permitted under the Affordable Care Act: (1) on a guaranteed issue and guaranteed renewable basis; (2) with premiums rated on allowable rating factors used for health plans; and (3) without any exclusions or limitations based on preexisting conditions.

(b) Notwithstanding paragraph (a), a health carrier may discontinue a limited scope pediatric dental plan at the end of a plan year if the health carrier provides written notice to enrollees before coverage is to be discontinued that the particular plan is being discontinued and the health carrier offers enrollees other dental plan options that are the same or substantially similar to the dental plan being discontinued in terms of premiums, benefits, cost-sharing requirements, and network adequacy. The written notice to enrollees must be provided at least 105 days before the end of the plan year.

~~(c) Limited-scope pediatric dental plans must ensure primary care dental services are available within 60 miles or 60 minutes' travel time.~~

~~(d)~~ (c) If a stand-alone dental plan as defined under the Affordable Care Act or a limited-scope pediatric dental plan is offered, either separately or in conjunction with a health plan offered to individuals or small employers, the health plan shall not be considered in noncompliance with the requirements of the essential benefit package in the Affordable Care Act because the health plan does not offer coverage of pediatric dental benefits if these benefits are covered through the stand-alone or limited-scope pediatric dental plan, to the extent permitted under the Affordable Care Act.

~~(e)~~ (d) Health carriers offering limited-scope pediatric dental plans must comply with this section and sections 62K.07, 62K.08, 62K.10, 62K.13, and 62K.15.

~~(f)~~ (e) The commissioner of commerce shall enforce paragraphs (a) and (b). Any limited-scope pediatric dental plan that is to be offered to replace a discontinued dental plan under paragraph (b) must be approved by the commissioner of commerce in terms of cost and benefit similarity, and the commissioner of health in terms of network adequacy similarity. ~~The commissioner of health shall enforce paragraph (c).~~

Sec. 26. Minnesota Statutes 2024, section 62M.07, subdivision 2, is amended to read:

Subd. 2. **Prior authorization of certain services prohibited.** No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of:

(1) emergency confinement or an emergency service. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon as reasonably possible after the beginning of the emergency confinement or emergency service;

(2) outpatient mental health treatment or outpatient substance use disorder treatment, except for treatment which is a medication. Prior authorizations required for medications used for outpatient mental health treatment or outpatient substance use disorder treatment must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;

(3) antineoplastic cancer treatment that is consistent with guidelines of the National Comprehensive Cancer Network, except for treatment which is a medication. Prior authorizations required for medications used for antineoplastic cancer treatment must be processed according to section 62M.05, subdivision 3b, for initial determinations, and according to section 62M.06, subdivision 2, for appeals;

(4) services that currently have a rating of A or B from the United States Preventive Services Task Force, immunizations ~~recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention~~ required to be covered under section 62Q.46, or preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130;

(5) pediatric hospice services provided by a hospice provider licensed under sections 144A.75 to 144A.755; and

(6) treatment delivered through a neonatal abstinence program operated by pediatric pain or palliative care subspecialists.

Clauses (2) to (6) are effective January 1, 2026, and apply to health benefit plans offered, sold, issued, or renewed on or after that date.

Sec. 27. Minnesota Statutes 2024, section 62Q.46, subdivision 1, is amended to read:

Subdivision 1. **Coverage for preventive items and services.** (a) "Preventive items and services" has the meaning specified in the Affordable Care Act. Preventive items and services includes:

(1) evidence-based items or services that have in effect a rating of A or B in the current recommendations of the United States Preventive Services Task Force with respect to the individual involved;

(2) immunizations for routine use in children, adolescents, and adults that have in effect at least one of the following:

(i) a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved. For purposes of this ~~clause~~ item, a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention is considered in effect after the recommendation has been adopted by the Director of the Centers for Disease Control and Prevention, and a recommendation is considered to be for routine use if the recommendation is listed on the Immunization Schedules of the Centers for Disease Control and Prevention; or

(ii) a recommendation from at least one of the following organizations: the American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, the American College of Physicians, the American Academy of Family Physicians, or the Infectious Disease Society of America. This item does not apply to managed care organizations or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L;

(3) with respect to infants, children, and adolescents, evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by the Health Resources and Services Administration;

(4) with respect to women, additional preventive care and screenings that are not listed with a rating of A or B by the United States Preventive Services Task Force but that are provided for in comprehensive guidelines supported by the Health Resources and Services Administration;

(5) all contraceptive methods established in guidelines published by the United States Food and Drug Administration;

(6) screenings for human immunodeficiency virus for:

(i) all individuals at least 15 years of age but less than 65 years of age; and

(ii) all other individuals with increased risk of human immunodeficiency virus infection according to guidance from the Centers for Disease Control;

(7) all preexposure prophylaxis when used for the prevention or treatment of human immunodeficiency virus, including but not limited to all preexposure prophylaxis, as defined in any guidance by the United States Preventive Services Task Force or the Centers for Disease Control, including the June 11, 2019, Preexposure Prophylaxis for the Prevention of HIV Infection United States Preventive Services Task Force Recommendation Statement; and

(8) all postexposure prophylaxis when used for the prevention or treatment of human immunodeficiency virus, including but not limited to all postexposure prophylaxis as defined in any guidance by the United States Preventive Services Task Force or the Centers for Disease Control.

(b) A health plan company must provide coverage for preventive items and services at a participating provider without imposing cost-sharing requirements, including a deductible, coinsurance, or co-payment. Nothing in this section prohibits a health plan company that has a network of providers from excluding coverage or imposing cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

(c) A health plan company is not required to provide coverage for any items or services specified in any recommendation or guideline described in paragraph (a) if the recommendation or guideline is no longer included as a preventive item or service as defined in paragraph (a). Annually, a health plan company must determine whether any additional items or services must be covered without cost-sharing requirements or whether any items or services are no longer required to be covered.

(d) Nothing in this section prevents a health plan company from using reasonable medical management techniques to determine the frequency, method, treatment, or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

(e) A health plan shall not require prior authorization or step therapy for preexposure prophylaxis or postexposure prophylaxis, except that: if the United States Food and Drug Administration has approved one or more therapeutic equivalents of a drug, device, or product for the prevention of HIV, this paragraph does not require a health plan to cover all of the therapeutically equivalent versions without prior authorization or step therapy, if at least one therapeutically equivalent version is covered without prior authorization or step therapy.

(f) This section does not apply to grandfathered plans.

(g) This section does not apply to plans offered by the Minnesota Comprehensive Health Association.

Sec. 28. Minnesota Statutes 2024, section 144.059, subdivision 8, is amended to read:

Subd. 8. **Duties.** (a) The council shall consult with and advise the commissioner on matters related to the establishment, maintenance, operation, and outcomes evaluation of palliative care initiatives in the state.

(b) By February 15 of each odd-numbered year, the council shall submit to the chairs and ranking minority members of the committees of the senate and the house of representatives with primary jurisdiction over health care a report containing:

(1) the advisory council's assessment of the availability of palliative care in the state;

(2) the advisory council's analysis of barriers to greater access to palliative care; and

(3) recommendations for legislative action, with draft legislation to implement the recommendations.

(c) The Department of Health shall publish the report ~~each year~~ on the department's website.

Sec. 29. Minnesota Statutes 2024, section 144.293, subdivision 7, is amended to read:

Subd. 7. **Exception to consent.** Subdivision 2 does not apply to the release of health records to the commissioner of health ~~or the Health Data Institute under chapter 62J~~, provided that the commissioner encrypts the patient identifier upon receipt of the data.

Sec. 30. Minnesota Statutes 2024, section 144.551, subdivision 1, is amended to read:

Subdivision 1. **Restricted construction or modification.** (a) The following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

(b) This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied before July 1, 1990, if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site before the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another; or (iii) redistribution of hospital beds within the state or a region of the state;

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; (iv) the relocation or redistribution does not involve the construction of a new hospital building; and (v) the transferred beds are used first to replace within the hospital corporate system the total number of beds previously used in the closed facility site or complex for mental health services and substance use disorder services. Only after the hospital corporate system has fulfilled the requirements of this item may the remainder of the available capacity of the closed facility site or complex be transferred for any other purpose;

(9) a construction project involving up to 35 new beds in a psychiatric hospital in Rice County that primarily serves adolescents and that receives more than 70 percent of its patients from outside the state of Minnesota;

(10) a project to replace a hospital or hospitals with a combined licensed capacity of 130 beds or less if: (i) the new hospital site is located within five miles of the current site; and (ii) the total licensed capacity of the replacement hospital, either at the time of construction of the initial building or as the result of future expansion, will not exceed 100 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

(11) the relocation of licensed hospital beds from an existing state facility operated by the Direct Care and Treatment executive board to a new or existing facility, building, or complex operated by the Direct Care and Treatment executive board; from one regional treatment center site to another; or from one building or site to a new or existing building or site on the same campus;

(12) the construction or relocation of hospital beds operated by a hospital having a statutory obligation to provide hospital and medical services for the indigent that does not result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27 beds, of which 12 serve mental health needs, may be transferred from Hennepin County Medical Center to Regions Hospital under this clause;

(13) a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami County;

(14) a construction project involving the addition of up to eight new beds in an existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

(15) a construction project involving the addition of 20 new hospital beds in an existing hospital in Carver County serving the southwest suburban metropolitan area;

(16) a project for the construction or relocation of up to 20 hospital beds for the operation of up to two psychiatric facilities or units for children provided that the operation of the facilities or units have received the approval of the commissioner of human services;

(17) a project involving the addition of 14 new hospital beds to be used for rehabilitation services in an existing hospital in Itasca County;

(18) a project to add 20 licensed beds in existing space at a hospital in Hennepin County that closed 20 rehabilitation beds in 2002, provided that the beds are used only for rehabilitation in the hospital's current rehabilitation building. If the beds are used for another purpose or moved to another location, the hospital's licensed capacity is reduced by 20 beds;

(19) a critical access hospital established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public Law 105-33, to the extent that the critical access hospital does not seek to exceed the maximum number of beds permitted such hospital under federal law;

(20) notwithstanding section 144.552, a project for the construction of a new hospital in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

(i) the project, including each hospital or health system that will own or control the entity that will hold the new hospital license, is approved by a resolution of the Maple Grove City Council as of March 1, 2006;

(ii) the entity that will hold the new hospital license will be owned or controlled by one or more not-for-profit hospitals or health systems that have previously submitted a plan or plans for a project in Maple Grove as required under section 144.552, and the plan or plans have been found to be in the public interest by the commissioner of health as of April 1, 2005;

(iii) the new hospital's initial inpatient services must include, but are not limited to, medical and surgical services, obstetrical and gynecological services, intensive care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics, behavioral health services, and emergency room services;

(iv) the new hospital:

(A) will have the ability to provide and staff sufficient new beds to meet the growing needs of the Maple Grove service area and the surrounding communities currently being served by the hospital or health system that will own or control the entity that will hold the new hospital license;

(B) will provide uncompensated care;

(C) will provide mental health services, including inpatient beds;

(D) will be a site for workforce development for a broad spectrum of health-care-related occupations and have a commitment to providing clinical training programs for physicians and other health care providers;

(E) will demonstrate a commitment to quality care and patient safety;

(F) will have an electronic medical records system, including physician order entry;

(G) will provide a broad range of senior services;

(H) will provide emergency medical services that will coordinate care with regional providers of trauma services and licensed emergency ambulance services in order to enhance the continuity of care for emergency medical patients; and

(I) will be completed by December 31, 2009, unless delayed by circumstances beyond the control of the entity holding the new hospital license; and

(v) as of 30 days following submission of a written plan, the commissioner of health has not determined that the hospitals or health systems that will own or control the entity that will hold the new hospital license are unable to meet the criteria of this clause;

(21) a project approved under section 144.553;

(22) a project for the construction of a hospital with up to 25 beds in Cass County within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's license holder is approved by the Cass County Board;

(23) a project for an acute care hospital in Fergus Falls that will increase the bed capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16 and closing a separately licensed 13-bed skilled nursing facility;

(24) notwithstanding section 144.552, a project for the construction and expansion of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for patients who are under 21 years of age on the date of admission. The commissioner conducted a public interest review of the mental health needs of Minnesota and the Twin Cities metropolitan area in 2008. No further public interest review shall be conducted for the construction or expansion project under this clause;

(25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the city of Maple Grove, exclusively for patients who are under 21 years of age on the date of admission, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete;

(ii) this project shall serve patients in the continuing care benefit program under section 256.9693. The project may also serve patients not in the continuing care benefit program; and

(iii) if the project ceases to participate in the continuing care benefit program, the commissioner must complete a subsequent public interest review under section 144.552. If the project is found not to be in the public interest, the license must be terminated six months from the date of that finding. If the commissioner of human services terminates the contract without cause or reduces per diem payment rates for patients under the continuing care benefit program below the rates in effect for services provided on December 31, 2015, the project may cease to participate in the continuing care benefit program and continue to operate without a subsequent public interest review;

(27) a project involving the addition of 21 new beds in an existing psychiatric hospital in Hennepin County that is exclusively for patients who are under 21 years of age on the date of admission;

(28) a project to add 55 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5, of which 15 beds are to be used for inpatient mental health and 40 are to be used for other services. In addition, five unlicensed observation mental health beds shall be added;

(29) upon submission of a plan to the commissioner for public interest review under section 144.552 and the addition of the 15 inpatient mental health beds specified in clause (28), to its bed capacity, a project to add 45 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5. Five of the 45 additional beds authorized under this clause must be designated for use for inpatient mental health and must be added to the hospital's bed capacity before the remaining 40 beds are added. Notwithstanding section 144.552, the hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(30) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add up to 30 licensed beds in an existing psychiatric hospital in Hennepin County that exclusively provides care to patients who are under 21 years of age on the date of admission. Notwithstanding section 144.552, the psychiatric hospital may add licensed beds under this clause prior to completion of the public interest review, provided the hospital submits its plan by the 2021 deadline and adheres to the timelines for the public interest review described in section 144.552;

(31) any project to add licensed beds in a hospital located in Cook County or Mahnomen County that: (i) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; (ii) has a licensed bed capacity of fewer than 25 beds; and (iii) has an attached nursing home, so long as the total number of licensed beds in the hospital after the bed addition does not exceed 25 beds. Notwithstanding section 144.552, a public interest review is not required for a project authorized under this clause;

(32) upon submission of a plan to the commissioner for public interest review under section 144.552, a project to add 22 licensed beds at a Minnesota freestanding children's hospital in St. Paul that is part of an independent pediatric health system with freestanding inpatient hospitals located in Minneapolis and St. Paul. The beds shall be utilized for pediatric inpatient behavioral health services. Notwithstanding section 144.552, the hospital may add licensed beds under this clause

prior to completion of the public interest review, provided the hospital submits its plan by the 2022 deadline and adheres to the timelines for the public interest review described in section 144.552;

(33) a project for a 144-bed psychiatric hospital on the site of the former Bethesda hospital in the city of Saint Paul, Ramsey County, if the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete. Following the completion of the construction project, the commissioner of health shall monitor the hospital, including by assessing the hospital's case mix and payer mix, patient transfers, and patient diversions. The hospital must have an intake and assessment area. The hospital must accommodate patients with acute mental health needs, whether they walk up to the facility, are delivered by ambulances or law enforcement, or are transferred from other facilities. The hospital must comply with subdivision 1a, paragraph (b). The hospital must annually submit de-identified data to the department in the format and manner defined by the commissioner; ~~or~~

(34) a project involving the relocation of up to 26 licensed long-term acute care hospital beds from an existing long-term care hospital located in Hennepin County with a licensed capacity prior to the relocation of 92 beds to dedicated space on the campus of an existing safety net, level I trauma center hospital in Ramsey County as ~~designated~~ regulated under section 383A.91, subdivision 5, provided both the commissioner finds the project is in the public interest after the public interest review conducted under section 144.552 is complete and the relocated beds continue to be used as long-term acute care hospital beds after the relocation~~.~~; or

(35) a project to add 85 licensed beds in an existing safety net, level I trauma center hospital in Ramsey County as regulated under section 383A.91, subdivision 5.

Sec. 31. Minnesota Statutes 2024, section 145.56, subdivision 5, is amended to read:

Subd. 5. **Periodic evaluations; biennial reports.** To the extent funds are appropriated for the purposes of this subdivision, the commissioner shall conduct periodic evaluations of the impact of and outcomes from implementation of the state's suicide prevention plan and each of the activities specified in this section. ~~By July 1, 2002, and~~ On July 1 of each even-numbered year ~~thereafter~~, the commissioner shall report the results of these evaluations to the chairs of the policy and finance committees in the house of representatives and senate with jurisdiction over health and human services issues.

Sec. 32. Minnesota Statutes 2024, section 145.561, subdivision 2, is amended to read:

Subd. 2. **988 Lifeline.** (a) The commissioner shall administer the designation of and oversight for a 988 Lifeline center or a network of 988 Lifeline centers to answer contacts from individuals accessing the Suicide and Crisis Lifeline from any jurisdiction within the state 24 hours per day, seven days per week.

(b) The designated 988 Lifeline Center must:

(1) have an active agreement with the 988 Suicide and Crisis Lifeline program for participation in the network and the department;

(2) meet the 988 Lifeline program requirements and best practice guidelines for operational and clinical standards;

(3) provide data and reports, and participate in evaluations and related quality improvement activities as required by the 988 Lifeline program and the department;

(4) identify or adapt technology that is demonstrated to be interoperable across mobile crisis and public safety answering points used in the state for the purpose of crisis care coordination;

(5) facilitate crisis and outgoing services, including mobile crisis teams in accordance with guidelines established by the 988 Lifeline program and the department;

(6) actively collaborate and coordinate service linkages with mental health and substance use disorder treatment providers, local community mental health centers including certified community behavioral health clinics and community behavioral health centers, mobile crisis teams, and community based and hospital emergency departments;

(7) offer follow-up services to individuals accessing the 988 Lifeline Center that are consistent with guidance established by the 988 Lifeline program and the department; and

(8) meet the requirements set by the 988 Lifeline program and the department for serving at-risk and specialized populations.

(c) The commissioner shall adopt rules to allow appropriate information sharing and communication between and across crisis and emergency response systems.

(d) The commissioner, having primary oversight of suicide prevention, shall work with the 988 Lifeline program, veterans crisis line, and other SAMHSA-approved networks for the purpose of ensuring consistency of public messaging about 988 services.

(e) The commissioner shall work with representatives from 988 Lifeline Centers and public safety answering points, other public safety agencies, and the commissioner of public safety to facilitate the development of protocols and procedures for interactions between 988 and 911 services across Minnesota. Protocols and procedures shall be developed following available national standards and guidelines.

(f) The commissioner shall provide ~~an annual~~ a biennial public report on 988 Lifeline usage by July 1 of each even-numbered year, including data on answer rates, abandoned calls, and referrals to 911 emergency response. The biennial report may be included as a section within the state suicide prevention report required under section 145.56.

Sec. 33. Minnesota Statutes 2024, section 145.882, is amended by adding a subdivision to read:

Subd. 9. **Contracting and procurement.** The commissioner is exempt from the contract term limits in chapter 16C for issuance of benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) through an electronic benefit transfer (EBT) system and related services and contracts. The contracts may have an initial term of up to five years, with extensions not to exceed a ten-year total contract duration.

Sec. 34. Minnesota Statutes 2024, section 145.882, is amended by adding a subdivision to read:

Subd. 10. **Management information systems; contracting and procurement.** Notwithstanding chapter 16C, WIC is exempt from the contract term limits for the management information systems

used for issuance of supplemental nutrition benefits and the WIC EBT systems used for processing the redemptions of supplemental nutrition benefits. The contracts may have an initial term of up to five years, with extensions not to exceed a ten-year total contract duration.

Sec. 35. Minnesota Statutes 2024, section 145A.04, subdivision 15, is amended to read:

Subd. 15. **State and local advisory committees.** (a) A state community health services advisory committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of local and Tribal public health services. Each community health board may appoint a member to serve on the committee. Each of Minnesota's federally recognized Tribal Nations may appoint a member to the advisory committee established under this section. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. A Tribal Nation may elect to participate at any time. Members or their alternates may be reimbursed for travel and other necessary expenses while engaged in their official duties.

(b) Notwithstanding section 15.059, the State Community Health Services Advisory Committee does not expire.

(c) The city boards or county boards that have established or are members of a community health board may appoint a community health advisory committee to advise, consult with, and make recommendations to the community health board on the duties under subdivision 1a.

Sec. 36. Minnesota Statutes 2024, section 148.517, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** An applicant who applies for licensure as a speech-language pathologist or audiologist by reciprocity must meet the requirements of subdivisions 2 and 3. An applicant who applies for licensure as an audiologist by reciprocity must pass the practical exam required under section 148.515, subdivision 6.

Sec. 37. Minnesota Statutes 2024, section 148.517, subdivision 2, is amended to read:

Subd. 2. **Current credentials required.** An applicant applying for licensure by reciprocity must provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for determining whether an applicant in this state is qualified to be licensed as a speech-language pathologist or audiologist. An applicant who provides sufficient evidence need not meet the requirements of section 148.515, except for subdivision 6, provided that the applicant otherwise meets all other requirements of section 148.514.

Sec. 38. Minnesota Statutes 2024, section 148.5191, subdivision 4, is amended to read:

Subd. 4. **Renewal deadline.** Each license, including a temporary license provided under section 148.5161, must state an expiration date. An application for licensure renewal must be received by the Department of Health ~~or postmarked~~ at least 30 days before the expiration date. ~~If the postmark is illegible, the application shall be considered timely if received at least 21 days before the expiration date.~~

When the commissioner establishes the renewal schedule for an applicant, licensee, or temporary licensee, if the period before the expiration date is less than two years, the fee shall be prorated.

Sec. 39. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 62Q.075, as Minnesota Statutes, section 62D.081. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Sec. 40. **REPEALER.**

Minnesota Statutes 2024, sections 13D.08, subdivision 4; 62D.08, subdivision 7; 62D.181; 62J.06; 62J.156; 62J.2930, subdivision 4; 62J.57; and 144.9821, are repealed.

ARTICLE 3

HUMAN SERVICES HEALTH CARE

Section 1. Minnesota Statutes 2024, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets meets the definition of disabled under the Supplemental Security Income program; and

(2) pays a premium and other obligations under paragraph (d).

(b) For purposes of eligibility, there is a $65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than $65 of earned income, be receiving an unemployment insurance benefit under chapter 268 that the person began receiving while eligible under this subdivision, or be receiving family and medical leave benefits under chapter 268B that the person began receiving while eligible under this subdivision. A person who is self-employed must file and pay all applicable taxes. Any spousal income shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who would otherwise be ineligible and be disenrolled due to one of the following circumstances may retain eligibility for up to four consecutive months after a month of job loss if the person:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, advanced practice registered nurse, or physician assistant; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income.

To receive a four-month extension of continued eligibility under this paragraph, enrollees must verify the medical condition or provide notification of job loss, continue to meet all other eligibility requirements, and continue to pay all calculated premium costs.

(d) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a $35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(e) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(f) Any required premium shall be determined at application and redetermined at the enrollee's 12-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within 30 days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next 12-month review.

(g) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(h) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse for the enrollee's failure to pay the required premium when due because the circumstances were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall determine whether good cause exists based on the weight of the supporting evidence submitted by the enrollee to demonstrate good cause. The commissioner must not determine that good cause exists for a month for which the premium has already been paid. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(i) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

(j) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.

Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 4, is amended to read:

Subd. 4. **Outpatient and physician-directed clinic services.** Medical assistance covers outpatient hospital or physician-directed clinic services. ~~The~~ All services provided by physician-directed clinic staff ~~shall include at least two physicians and all services shall~~ must be ~~provided~~ under the ~~direct supervision~~ direction of a physician. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.695, subdivision 5, is amended to read:

Subd. 5. **CARMA enrollment.** (a) Subject to ~~paragraphs~~ paragraph (d) ~~and (e)~~, eligible individuals must be automatically enrolled in CARMA, but may decline enrollment. Eligible individuals may enroll in fee-for-service medical assistance. Eligible individuals may change their CARMA elections on an annual basis.

(b) Eligible individuals must be able to enroll in CARMA through the selection process in accordance with the election period established in section 256B.69, subdivision 4, paragraph (e).

(c) Enrollees who were not previously enrolled in the medical assistance program or MinnesotaCare can change their selection once within the first year after enrollment in CARMA. Enrollees who were not previously enrolled in CARMA have 90 days to make a change and changes are allowed for additional special circumstances.

(d) The commissioner may not offer a second health plan to eligible individuals other than, ~~and~~ or in addition to, CARMA except that the commissioner may offer a second health plan to eligible individuals ~~when another health plan is~~ enrolling in MinnesotaCare, if required by federal law or rule. Eligible individuals who do not select a health plan at the time of enrollment must automatically be enrolled in CARMA.

(e) The commissioner may offer a replacement plan to eligible individuals, as determined by the commissioner, when counties administering CARMA have their contract terminated for cause.

~~(e)~~ (f) The commissioner may, on a county-by-county basis, offer a health plan other than~~, and in addition to,~~ CARMA to individuals who are eligible for both Medicare and medical assistance due to age, income, or disability if ~~the commissioner deems it necessary for enrollees to have another choice of health plan. Factors the commissioner must consider when determining if the other health plan is necessary include the number of available Medicare Advantage Plan options that are not special needs plans in the county, the size of the enrolling population, the additional administrative burden placed on providers and counties by multiple health plan options in a county, the need to ensure the viability and success of the CARMA program, and the impact to the medical assistance program~~ there is not already a health plan available under CARMA.

~~(f) In counties where the commissioner is required by federal law or elects to offer a second health plan other than CARMA pursuant to paragraphs (d) and (e), eligible enrollees who do not select a health plan at the time of enrollment must automatically be enrolled in CARMA.~~

(g) This subdivision supersedes section 256B.694.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 4. Minnesota Statutes 2024, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. The effective date of coverage for new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's modified adjusted gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

(d) The effective date of coverage for individuals or families who are exempt from paying premiums under section 256L.15, ~~subdivision~~ subdivisions 1~~, paragraph (c)~~ and 2, is the first day of the month following the month in which eligibility is approved.

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

Sec. 5. Minnesota Statutes 2024, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain ~~eligibility~~ coverage in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month following the month for which the premium was due. Persons disenrolled for nonpayment may not reenroll prior to the first day of the month following the payment of an amount equal to ~~two months' premiums~~ one monthly premium.

(e) The commissioner shall forgive the past-due premium for persons disenrolled under paragraph (d) prior to issuing a premium invoice for the ~~fourth~~ next month ~~following disenrollment~~.

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

Sec. 6. Laws 2024, chapter 125, article 4, section 12, subdivision 5, is amended to read:

Subd. 5. **Report.** By ~~December 15, 2025~~ November 30, 2026, the commissioner must provide a summary report on the pilot program to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health and county correctional facilities.

EFFECTIVE DATE. This section is effective retroactively from December 15, 2025.

ARTICLE 4

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2025 Supplement, section 245.469, subdivision 1, is amended to read:

Subdivision 1. **Availability of emergency services.** (a) County boards must provide or contract for enough emergency services within the county to meet the needs of adults, children, and families in the county who are experiencing an emotional crisis or mental illness. Clients must not be charged for services provided and emergency service providers must not delay or deny the timely provision of emergency services to a client due to payor source for the services provided. Emergency service providers must meet the qualifications under section 256B.0624, subdivision 4. Emergency services

must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of each client;

(2) minimize further deterioration of each client;

(3) help each client to obtain ongoing care and treatment;

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs; and

(5) provide support, psychoeducation, and referrals to each client's family members, service providers, and other third parties on behalf of the client in need of emergency services.

(b) If a county provides engagement services under section 253B.041, the county's emergency service providers must refer clients to engagement services when the client meets the criteria for engagement services.

Sec. 2. Minnesota Statutes 2025 Supplement, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with mental illness as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with mental illness or serious mental illness who are at risk of residential treatment or hospitalization; who are already in residential treatment or therapeutic foster care or in family foster settings as defined in chapter 142B and at risk of change in foster care or placement in a residential facility or other higher level of care; who have utilized crisis services or emergency room services; or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation under section 245.4908;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners;

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants; and

(19) evidence-based interventions for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes

and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 3. **[245.4908] EARLY CHILDHOOD MENTAL HEALTH CONSULTATION GRANTS.**

Subdivision 1. **Establishment.** The commissioner of human services must establish an early childhood mental health consultation grant program to support the delivery of specialized mental health care to children five years of age or younger. The care may include providing mental health consultation to child care professionals for the development of knowledge and skills to provide child care to young children with significant mental health needs.

Subd. 2. **Eligible applicants; third-party reimbursement.** (a) An applicant is eligible for an early childhood mental health consultation grant under this section if the applicant is:

(1) a mental health clinic certified under section 245I.20;

(2) a community mental health center under section 256B.0625, subdivision 5;

(3) an Indian health service facility or a facility owned and operated by a Tribe or Tribal organization operating under United States Code, title 25, section 5321; or

(4) a provider of children's therapeutic services and supports, as defined in section 256B.0943.

(b) Grantees must obtain all available third-party reimbursement sources as a condition of receiving a grant.

Subd. 3. **Allowable grant activities and related expenses.** Grant money must be used to provide early childhood mental health consultation, including but not limited to:

(1) identifying and diagnosing mental health conditions for children five years of age or younger;

(2) training clinicians on evidence-based or evidence-informed clinical practices for children five years of age or younger and their caregivers, including train-the-trainer models to build capacity for grantees to train staff. The commissioner may recommend specific clinical practices, modalities, and trainings under this clause;

(3) providing direct consultation to child care providers in licensed child care centers, Head Start, and licensed family child care settings; and

(4) family psychoeducation and individual and group skills for families of children receiving early childhood mental health services.

Subd. 4. **Data collection and outcome measurement.** (a) The commissioner must consult with grantees to develop ongoing outcome measures for program capacity and performance.

(b) Upon the commissioner's request, grantees must provide the data required under paragraph (c) and may provide the data requested under paragraph (d) to the commissioner for the purpose of evaluating the effectiveness of the grant program. The commissioner must not request data from grantees more than twice per year.

(c) Grantees must provide the following quantitative data to the commissioner:

(1) number of clients served;

(2) client demographics;

(3) payor information; and

(4) client-related clinical and ancillary services, including hours of direct client services and hours of consultation provided in child care settings.

(d) Grantees may collect and provide qualitative data to the commissioner to demonstrate outcomes.

(e) By July 1, 2027, and every July 1 thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health. The report must include the number of grantees receiving grant money under this section, the number of individuals served under this section, data from the evaluation conducted under this subdivision, and information on the use of state and federal money for the services provided under this section. This paragraph expires June 30, 2037.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 245D.04, subdivision 3, is amended to read:

Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include the right to:

(1) have personal, financial, service, health, and medical information kept private, and be advised of disclosure of this information by the license holder;

(2) access records and recorded information about the person in accordance with applicable state and federal law, regulation, or rule;

(3) be free from maltreatment;

(4) be free from restraint, time out, seclusion, restrictive intervention, or other prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions, except for: (i) emergency use of manual restraint to protect the person from imminent danger to self or others according to the requirements in section 245D.061 or successor provisions; or (ii) the use of safety interventions as part of a positive support transition plan under section 245D.06, subdivision 8, or successor provisions;

(5) receive services in a clean and safe environment when the license holder is the owner, lessor, or tenant of the service site;

(6) be treated with courtesy and respect and receive respectful treatment of the person's property;

(7) reasonable observance of cultural and ethnic practice and religion;

(8) be free from bias and harassment regarding race, gender, age, disability, spirituality, and sexual orientation;

(9) be informed of and use the license holder's grievance policy and procedures, including knowing how to contact persons responsible for addressing problems and to appeal under section 256.045;

(10) know the name, telephone number, and the website, email, and street addresses of protection and advocacy services, including the appropriate state-appointed ombudsman, and a brief description of how to file a complaint with these offices;

(11) assert these rights personally, or have them asserted by the person's family, authorized representative, or legal representative, without retaliation;

(12) give or withhold written informed consent to participate in any research or experimental treatment;

(13) associate with other persons of the person's choice in the community;

(14) personal privacy, including the right to use the lock on the person's bedroom or unit door;

(15) engage in chosen activities; and

(16) access to the person's personal possessions at any time, including financial resources.

(b) For a person residing in a residential site licensed according to chapter 245A, or where the license holder is the owner, lessor, or tenant of the residential service site, protection-related rights also include the right to:

(1) have daily, private access to and use of a non-coin-operated telephone for local calls and long-distance calls made collect or paid for by the person;

(2) receive and send, without interference, uncensored, unopened mail or electronic correspondence or communication;

(3) have use of and free access to common areas in the residence and the freedom to come and go from the residence at will;

(4) choose the person's visitors and time of visits and have privacy for visits with the person's spouse, next of kin, legal counsel, religious adviser, or others, in accordance with section 363A.09 of the Human Rights Act, including privacy in the person's bedroom;

(5) have access to three nutritionally balanced meals and nutritious snacks between meals each day;

(6) have freedom and support to access food and potable water at any time;

(7) have the freedom to furnish and decorate the person's bedroom or living unit;

(8) a setting that is clean and free from accumulation of dirt, grease, garbage, peeling paint, mold, vermin, and insects;

(9) a setting that is free from hazards that threaten the person's health or safety; and

(10) a setting that meets the definition of a dwelling unit within a residential occupancy as defined in the State Fire Code.

(c) Except as provided under subdivision 4, restriction of a person's rights under paragraph (a), clauses (13) to (16), or paragraph (b) is allowed only if determined necessary to ensure the health, safety, and well-being of the person. Any restriction of those rights must be documented in the person's support plan or support plan addendum. The restriction must be implemented in the least restrictive alternative manner necessary to protect the person and provide support to reduce or eliminate the need for the restriction in the most integrated setting and inclusive manner. The documentation must include the following information:

(1) the justification for the restriction based on an assessment of the person's vulnerability related to exercising the right without restriction;

(2) the objective measures set as conditions for ending the restriction;

(3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur semiannually from the date of initial approval, at a minimum, or more frequently if requested by the person, the person's legal representative, if any, and case manager; and

(4) signed and dated approval for the restriction from the person, or the person's legal representative, if any. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.

Sec. 5. Minnesota Statutes 2024, section 245D.04, is amended by adding a subdivision to read:

Subd. 4. **Rights of minor children.** (a) For the purposes of this subdivision:

(1) "developmentally appropriate" means, for a person under 18 years of age, activities or items that are determined to be developmentally appropriate based on the development of a person's cognitive, emotional, physical, and behavioral capacities that are typical for the person's age or age group; and

(2) "reasonable and prudent parenting" means, for a person under 18 years of age, the standards characterized by careful and sensible parenting decisions that maintain a person's health and safety; cultural, religious, and Tribal values; and best interests while encouraging the person's emotional and developmental growth.

(b) A person under 18 years of age who is receiving services under this chapter has a right to:

(1) participate in activities or events that are generally accepted as suitable for minor children of the same chronological age or are developmentally appropriate; and

(2) receive reasonable and prudent parenting.

(c) Restriction of the rights under subdivision 3, paragraph (a), clauses (13) to (16), or (b), clauses (1) to (4), for a person under 18 years of age is allowed only if determined necessary to ensure the health, safety, and well-being of the person or pursuant to reasonable and prudent parenting standards.

Sec. 6. Minnesota Statutes 2025 Supplement, section 245I.04, subdivision 17, is amended to read:

Subd. 17. **Mental health behavioral aide scope of practice.** While under the treatment supervision of a mental health professional, a mental health behavioral aide may practice psychosocial skills with a child client according to the child's treatment plan ~~and individual behavior plan~~ that a mental health professional, clinical trainee, or behavioral health practitioner has previously taught to the child.

Sec. 7. Minnesota Statutes 2024, section 245I.04, is amended by adding a subdivision to read:

Subd. 20. **Limitation on affiliation across service lines.** (a) A mental health professional must not simultaneously serve in a clinical, supervisory, or designated role for more than ten distinct, licensed provider organizations or service lines that deliver services in the medical assistance program. A mental health professional must not provide clinical or administrative supervision to more than 20 direct care or clinical staff across all affiliated provider organizations and service lines, unless an exception is granted by the commissioner under paragraph (c).

(b) The commissioner must establish criteria and a standardized process for evaluating exception requests under paragraph (c).

(c) Upon written request, the commissioner may grant an exception if the requester demonstrates that:

(1) the mental health professional can effectively meet all clinical, supervisory, and administrative responsibilities across affiliated programs;

(2) the oversight of client care will not be compromised; and

(3) the proposed arrangement complies with all applicable supervision, documentation, and service delivery requirements.

(d) In determining whether to grant an exception under paragraph (c), the commissioner must consider:

(1) the geographic distribution of services;

(2) the complexity and acuity of client needs;

(3) the mental health professional's other responsibilities, including direct service provision; and

(4) whether adequate supervision can be maintained in compliance with program standards.

(e) The commissioner must rescind approval of an exception granted under paragraph (c) if the requester fails to comply with applicable program standards or with the terms of the exception.

(f) A mental health professional determined to be in violation of this subdivision may be subject to corrective action, licensing sanctions, or administrative penalties in accordance with chapter 245A and other applicable law.

Sec. 8. Minnesota Statutes 2024, section 245I.08, subdivision 4, is amended to read:

Subd. 4. **Progress notes.** A license holder must use a progress note to document each occurrence of a mental health service that a staff person provides to a client. A progress note must include the following:

(1) the type of service;

(2) the date of service;

(3) the start and stop time of the service unless the license holder is licensed as a residential program;

(4) the location of the service;

(5) the scope of the service, including: (i) the targeted goal and objective; (ii) the intervention that the staff person provided to the client and the methods that the staff person used; (iii) the client's response to the intervention; and (iv) the staff person's plan to take future actions, including changes in treatment that the staff person will implement if the intervention was ineffective;

(6) the signature and credentials of the staff person who provided the service to the client;

(7) the dated signature and credentials of the treatment supervisor;

~~(7)~~ (8) the mental health provider travel documentation required by section 256B.0625, if applicable; and

~~(8)~~ (9) significant observations by the staff person, if applicable, including: (i) the client's current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with or referrals to other professionals, family, or significant others; and (iv) changes in the client's mental or physical symptoms.

Sec. 9. Minnesota Statutes 2025 Supplement, section 245I.23, subdivision 7, is amended to read:

Subd. 7. **Intensive residential treatment services assessment and treatment planning.** (a) Within 12 hours of a client's admission, the license holder must evaluate and document the client's immediate needs, including the client's:

(1) health and safety, including the client's need for crisis assistance;

(2) responsibilities for children, family and other natural supports, and employers; and

(3) housing and legal issues.

(b) Within 24 hours of the client's admission, the license holder must complete an initial treatment plan for the client. The license holder must:

(1) base the client's initial treatment plan on the client's referral information and an assessment of the client's immediate needs;

(2) consider crisis assistance strategies that have been effective for the client in the past;

(3) identify the client's initial treatment goals, measurable treatment objectives, and specific interventions that the license holder will use to help the client engage in treatment;

(4) identify the participants involved in the client's treatment planning. The client must be a participant; and

(5) ensure that a treatment supervisor approves of the client's initial treatment plan if a behavioral health practitioner or clinical trainee completes the client's treatment plan, notwithstanding section 245I.08, subdivision 3.

(c) According to section 245A.65, subdivision 2, paragraph (b), the license holder must complete an individual abuse prevention plan as part of a client's initial treatment plan.

(d) Within five days of the client's admission and again within 60 days after the client's admission, the license holder must complete a level of care assessment of the client. If the license holder determines that a client does not need a medically monitored level of service, a treatment supervisor must document how the client's admission to and continued services in intensive residential treatment services are medically necessary for the client.

(e) Within ten days of a client's admission, excluding weekends and holidays, the license holder must complete or review and update the client's standard diagnostic assessment.

(f) Within ten days of a client's admission, the license holder must complete the client's individual treatment plan, notwithstanding section 245I.10, subdivision 8. Within 40 days after the client's admission and again within 70 days after the client's admission, the license holder must update the client's individual treatment plan. The license holder must focus the client's treatment planning on preparing the client for a successful transition from intensive residential treatment services to another setting. In addition to the required elements of an individual treatment plan under section 245I.10, subdivision 8, the license holder must identify the following information in the client's individual treatment plan: (1) the client's referrals and resources for the client's health and safety; and (2) the staff persons who are responsible for following up with the client's referrals and resources. If the client does not receive a referral or resource that the client needs, the license holder must document the reason that the license holder did not make the referral or did not connect the client to a particular resource. The license holder is responsible for determining whether additional follow-up is required on behalf of the client.

(g) Within 30 days of the client's admission, the license holder must complete a functional assessment of the client. Within 60 days after the client's admission, the license holder must update the client's functional assessment to include any changes in the client's functioning and symptoms.

(h) For a client with a current substance use disorder diagnosis and for a client whose substance use disorder screening in the client's standard diagnostic assessment indicates the possibility that the client has a substance use disorder, the license holder must complete a written assessment of the client's substance use within 30 days of the client's admission. In the substance use assessment, the license holder must: (1) evaluate the client's history of substance use, relapses, and hospitalizations related to substance use; (2) assess the effects of the client's substance use on the client's relationships including with family member and others; (3) identify financial problems, health issues, housing instability, and unemployment; (4) assess the client's legal problems, past and pending incarceration, violence, and victimization; and (5) evaluate the client's suicide attempts, noncompliance with taking prescribed medications, and noncompliance with psychosocial treatment.

(i) On a weekly basis, a mental health professional or certified rehabilitation specialist must review each client's treatment plan and individual abuse prevention plan. The license holder must document in the client's file each weekly review of the client's treatment plan and individual abuse prevention plan.

Sec. 10. Minnesota Statutes 2025 Supplement, section 254B.04, subdivision 1a, is amended to read:

Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, who meet the income standards of section 256B.056, subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the commissioner to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(c) Notwithstanding paragraph (a), any person enrolled in medical assistance or MinnesotaCare is eligible for room and board services under section 254B.0505, subdivision 1, clause (9).

(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client:

(1) is eligible for MFIP as determined under chapter 142G;

(2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0140;

(3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1272; or

(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.

(e) Clients who meet the financial eligibility requirement in paragraph (a) and who have a third-party payment source are eligible for the behavioral health fund if the third-party payment source pays less than 100 percent of the cost of treatment services for eligible clients.

(f) A client is ineligible to have substance use disorder treatment services paid for with behavioral health fund money if the client:

(1) has an income that exceeds current household size and income guidelines for entitled persons as defined in this subdivision and subdivision 7; or

(2) has an available third-party payment source that will pay the total cost of the client's treatment.

(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client:

(1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or

(2) is eligible according to paragraphs (a) and (b) and is determined eligible by the commissioner under section 254B.04.

(h) When a county commits a client under chapter 253B to a regional treatment center for substance use disorder services and the client is ineligible for the behavioral health fund, the county is responsible for the payment to the regional treatment center according to section 254B.0501, subdivision 3.

(i) Notwithstanding any laws to the contrary, persons enrolled in MinnesotaCare or medical assistance are eligible for room and board services when provided through intensive residential treatment services and residential crisis services under section 256B.0632 and chapter 245I.

(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person may submit a request for additional eligibility to the commissioner. A person denied additional eligibility under this paragraph may request a state agency hearing under section 256.045.

Sec. 11. Minnesota Statutes 2024, section 256B.0624, subdivision 6b, is amended to read:

Subd. 6b. **Crisis intervention services.** (a) If the crisis assessment determines mobile crisis intervention services are needed, the crisis intervention services must be provided promptly. As opportunity presents during the intervention, at least two members of the mobile crisis intervention team must confer directly or by telephone about the crisis assessment, crisis treatment plan, and actions taken and needed. At least one of the team members must be providing face-to-face crisis intervention services. If providing crisis intervention services, a clinical trainee or mental health practitioner must seek treatment supervision as required in subdivision 9.

(b) If a provider delivers crisis intervention services while the recipient is absent, the provider must document the reason for delivering services while the recipient is absent.

(c) The mobile crisis intervention team must develop a crisis treatment plan according to subdivision 11.

(d) The mobile crisis intervention team must document which crisis treatment plan goals and objectives have been met and when no further crisis intervention services are required.

(e) If the recipient's mental health crisis is stabilized, but the recipient needs a referral to other services, the team must provide referrals to these services. If the recipient has a case manager, planning for other services must be coordinated with the case manager. If the recipient is unable to follow up on the referral, the team must link the recipient to the service and follow up to ensure the recipient is receiving the service.

~~(f) If the recipient's mental health crisis is stabilized and the recipient does not have an advance directive, the case manager or crisis team shall offer to work with the recipient to develop one.~~

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 12. Minnesota Statutes 2024, section 256B.0624, subdivision 7, is amended to read:

Subd. 7. **Crisis stabilization services.** (a) Crisis stabilization services must be provided by qualified staff of a crisis stabilization services provider entity and must meet the following standards:

(1) a crisis treatment plan must be developed that meets the criteria in subdivision 11;

(2) staff must be qualified as defined in subdivision 8;

(3) crisis stabilization services must be delivered according to the crisis treatment plan and include face-to-face contact with the recipient by qualified staff for further assessment, help with referrals, updating of the crisis treatment plan, skills training, and collaboration with other service providers in the community; ~~and~~

(4) if a provider delivers crisis stabilization services while the recipient is absent, the provider must document the reason for delivering services while the recipient is absent~~.~~; and

(5) for a recipient who is 18 years of age or older, the case manager or crisis team must offer to work with the recipient to develop a health care directive, as defined in section 145C.01, subdivision 5a, or a declaration of preferences under section 253B.03, subdivision 6d, if the recipient's mental health crisis is stabilized and the recipient does not have a directive or declaration.

(b) If crisis stabilization services are provided in a supervised, licensed residential setting that serves no more than four adult residents, and one or more individuals are present at the setting to receive residential crisis stabilization, the residential staff must include, for at least eight hours per day, at least one mental health professional, clinical trainee, certified rehabilitation specialist, or mental health practitioner. The commissioner ~~shall~~ must establish a statewide per diem rate for crisis stabilization services provided under this paragraph to medical assistance enrollees. The rate for a provider ~~shall~~ must not exceed the rate charged by that provider for the same service to other payers. Payment ~~shall~~ must not be made to more than one entity for each individual for services provided under this paragraph on a given day. The commissioner ~~shall~~ must set rates prospectively for the annual rate period. The commissioner ~~shall~~ must require providers to submit annual cost reports on a uniform cost reporting form and ~~shall~~ must use submitted cost reports to inform the rate-setting process. The commissioner ~~shall~~ must recalculate the statewide per diem every year.

EFFECTIVE DATE. This section is effective upon federal approval.

Sec. 13. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner ~~shall~~ must reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner ~~shall~~ must include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner ~~shall~~ must ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate ~~shall~~ must be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment ~~shall~~ must be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, ~~shall~~ must be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner ~~shall~~ must rebase CCBHC rates once every two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services~~. For CCBHCs certified after September 30, 2020, and before January 1, 2021, the commissioner shall rebase rates according to this clause for services provided on or after January 1, 2024~~;

(5) the commissioner ~~shall~~ must provide for a 60-day appeals process after notice of the results of the rebasing;

(6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid rate is not eligible for the CCBHC rate methodology;

(7) payments for CCBHC services to individuals enrolled in managed care ~~shall~~ must be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner ~~shall~~ must complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC ~~shall~~ must be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update ~~shall~~ must occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope ~~shall~~ must occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans ~~shall~~ must reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner ~~shall~~ must monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner ~~shall~~ must implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC ~~shall~~ must receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC ~~shall~~ must receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner ~~shall~~ must notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section ~~shall~~ must be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims ~~shall~~ must be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims ~~shall~~ must be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2a, paragraph (b), clause (2).

Sec. 14. Minnesota Statutes 2024, section 256B.0625, subdivision 47, is amended to read:

Subd. 47. **Treatment foster care services.** ~~Effective July 1, 2011, and subject to federal approval,~~ Medical assistance covers ~~treatment foster care~~ children's intensive behavioral health services according to section 256B.0946.

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

Sec. 15. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 1, is amended to read:

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

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed mental illness, as defined in section 245.462, subdivision 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered using various treatment

modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for ~~three~~ two or more individuals and individual or group skills training provided by a team, under the treatment supervision of a mental health professional.

(g) "Direct service time" means the time that a mental health professional, clinical trainee, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family or providing covered services through telehealth as defined under section 256B.0625, subdivision 3b. Direct service time includes time in which the provider obtains a client's history, develops a client's treatment plan, records individual treatment outcomes, or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling or maintaining clinical records.

(h) "Direction of mental health behavioral aide" means the activities of a mental health professional, clinical trainee, or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individual treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (7).

(i) "Individual treatment plan" means the plan described in section 245I.10, subdivisions 7 and 8.

(j) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a mental health behavioral aide qualified according to section 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously trained by a mental health professional, clinical trainee, or mental health practitioner and as described in the child's individual treatment plan ~~and individual behavior plan~~. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

(k) "Mental health certified family peer specialist" means a staff person who is qualified according to section 245I.04, subdivision 12.

(l) "Mental health practitioner" means a staff person who is qualified according to section 245I.04, subdivision 4.

(m) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(n) "Mental health service plan development" includes:

(1) development and revision of a child's individual treatment plan; and

(2) administering and reporting standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

(o) "Mental illness" has the meaning given in section 245.462, subdivision 20, paragraph (a), for persons at least 18 years of age but under 21 years of age, and has the meaning given in section 245.4871, subdivision 15, for children under 18 years of age.

(p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

(q) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

(r) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

(s) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

(t) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 16. Minnesota Statutes 2024, section 256B.0943, subdivision 6, is amended to read:

Subd. 6. **Provider entity clinical infrastructure requirements.** (a) To be an eligible provider entity under this section, a provider entity must have a clinical infrastructure that utilizes diagnostic assessment, individual treatment plans, service delivery, and individual treatment plan review that are culturally competent, child-centered, and family-driven to achieve maximum benefit for the client. The provider entity must review, and update as necessary, the clinical policies and procedures every ~~three~~ two years, must distribute the policies and procedures to staff initially and upon each subsequent update, and must train staff accordingly.

(b) The clinical infrastructure written policies and procedures must include policies and procedures for meeting the requirements in this subdivision:

(1) providing or obtaining a client's standard diagnostic assessment, including a standard diagnostic assessment. When required components of the standard diagnostic assessment are not provided in an outside or independent assessment or cannot be attained immediately, the provider entity must determine the missing information within 30 days and amend the child's standard diagnostic assessment or incorporate the information into the child's individual treatment plan;

(2) developing an individual treatment plan;

(3) providing treatment supervision plans for staff according to section 245I.06. Treatment supervision does not include the authority to make or terminate court-ordered placements of the child. A treatment supervisor must be available for urgent consultation as required by the individual client's needs or the situation;

(4) requiring a mental health professional to determine the level of supervision for a behavioral health aide and to document and sign the supervision determination in the behavioral health aide's supervision plan;

(5) ensuring the immediate accessibility of a mental health professional, clinical trainee, or mental health practitioner to the behavioral aide during service delivery;

(6) providing service delivery that implements the individual treatment plan and meets the requirements under subdivision 9; and

(7) individual treatment plan review. The review must determine the extent to which the services have met each of the goals and objectives in the treatment plan. The review must assess the client's progress and ensure that services and treatment goals continue to be necessary and appropriate to the client and the client's family or foster family.

Sec. 17. Minnesota Statutes 2025 Supplement, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) the provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan; and

(3) a day treatment program is provided to a group of clients by a team under the treatment supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center

under section 245.62; or (iii) an entity that is certified under subdivision 4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The remainder of the structured treatment program may include patient and/or family or group psychotherapy, and individual or group skills training, if included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services. When a day treatment group that meets the minimum group size requirement temporarily falls below the minimum group size because of a member's temporary absence, medical assistance covers a group session conducted for the group members in attendance. ~~A day treatment program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program.~~

(b) To be eligible for medical assistance payment, a provider entity must deliver at least one of the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) psychotherapy to address the child's underlying mental health disorder must be documented as part of the child's ongoing treatment. A provider must deliver or arrange for medically necessary psychotherapy unless the child's parent or caregiver chooses not to receive it or the provider determines that psychotherapy is no longer medically necessary. When a provider determines that psychotherapy is no longer medically necessary, the provider must update required documentation, including but not limited to the individual treatment plan, the child's medical record, or other authorizations, to include the determination. When a provider determines that a child needs psychotherapy but psychotherapy cannot be delivered due to a shortage of licensed mental health professionals in the child's community, the provider must document the lack of access in the child's medical record;

(2) individual, family, or group skills training is subject to the following requirements:

(i) a mental health professional, clinical trainee, or mental health practitioner shall provide skills training;

(ii) skills training delivered to a child or the child's family must be targeted to the specific deficits or maladaptations of the child's mental health disorder and must be prescribed in the child's individual treatment plan;

(iii) group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from interaction in a group setting, which must be staffed as follows:

(A) one mental health professional, clinical trainee, or mental health practitioner must work with a group of ~~three~~ two to eight clients; or

(B) any combination of two mental health professionals, clinical trainees, or mental health practitioners must work with a group of nine to 12 clients;

(iv) a mental health professional, clinical trainee, or mental health practitioner must have taught the psychosocial skill before a mental health behavioral aide may practice that skill with the client; and

(v) for group skills training, when a skills group that meets the minimum group size requirement temporarily falls below the minimum group size because of a group member's temporary absence, the provider may conduct the session for the group members in attendance;

(3) crisis planning to a child and family must include development of a written plan that anticipates the particular factors specific to the child that may precipitate a psychiatric crisis for the child in the near future. The written plan must document actions that the family should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for direct intervention and support services to the child and the child's family. Crisis planning must include preparing resources designed to address abrupt or substantial changes in the functioning of the child or the child's family when sudden change in behavior or a loss of usual coping mechanisms is observed, or the child begins to present a danger to self or others;

(4) mental health behavioral aide services must be medically necessary treatment services, identified in the child's individual treatment plan.

To be eligible for medical assistance payment, mental health behavioral aide services must be delivered to a child who has been diagnosed with a mental illness, as provided in subdivision 1, paragraph (a). The mental health behavioral aide must document the delivery of services in written progress notes. Progress notes must reflect implementation of the treatment strategies, as performed by the mental health behavioral aide and the child's responses to the treatment strategies; and

(5) mental health service plan development must be performed in consultation with the child's family and, when appropriate, with other key participants in the child's life by the child's treating mental health professional or clinical trainee or by a mental health practitioner and approved by the treating mental health professional. Treatment plan drafting consists of development, review, and revision by face-to-face or electronic communication. The provider must document events, including the time spent with the family and other key participants in the child's life to approve the individual treatment plan. Medical assistance covers service plan development before completion of the child's individual treatment plan. Service plan development is covered only if a treatment plan is completed for the child. If upon review it is determined that a treatment plan was not completed for the child, the commissioner shall recover the payment for the service plan development.

Sec. 18. Minnesota Statutes 2024, section 256B.0946, subdivision 4, is amended to read:

Subd. 4. **Service delivery payment requirements.** (a) To be eligible for payment under this section, a provider must develop and practice written policies and procedures for children's intensive behavioral health services, consistent with subdivision 1, paragraph (b), and comply with the following requirements in paragraphs (b) to (n).

(b) Each previous and current mental health, school, and physical health treatment provider must be contacted to request documentation of treatment and assessments that the eligible client has received. This information must be reviewed and incorporated into the standard diagnostic assessment and team consultation and treatment planning review process.

(c) Each client receiving treatment must be assessed for a trauma history, and the client's treatment plan must document how the results of the assessment will be incorporated into treatment.

(d) The level of care assessment as defined in section 245I.02, subdivision 19, and functional assessment as defined in section 245I.02, subdivision 17, must be updated at least every 180 days or prior to discharge from the service, whichever comes first.

(e) Each client receiving treatment services must have an individual treatment plan that is reviewed, evaluated, and approved every 180 days using the team consultation and treatment planning process.

(f) Clinical care consultation must be provided in accordance with the client's individual treatment plan.

(g) Each client must have a crisis plan within ten days of initiating services and must have access to clinical phone support 24 hours per day, seven days per week, during the course of treatment. The crisis plan must demonstrate coordination with the local or regional mobile crisis intervention team.

(h) Services must be delivered and documented at least three days per week, equaling at least six hours of treatment per week. If the mental health professional, client, and family agree, service units may be temporarily reduced for a period of no more than 60 days in order to meet the needs of the client and family, or as part of transition or on a discharge plan to another service or level of care. The reasons for service reduction must be identified~~, and~~ documented~~, and included~~ in the treatment plan or case file. Billing and payment are prohibited for days on which no services are delivered and documented.

(i) Location of service delivery must be in the client's home, day care setting, school, or other community-based setting that is specified on the client's individualized treatment plan.

(j) Treatment must be developmentally and culturally appropriate for the client.

(k) Services must be delivered in continual collaboration and consultation with the client's medical providers and, in particular, with prescribers of psychotropic medications, including those prescribed on an off-label basis. Members of the service team must be aware of the medication regimen and potential side effects.

(l) Parents, siblings, foster parents, legal guardians, and members of the child's permanency plan must be involved in treatment and service delivery unless otherwise noted in the treatment plan.

(m) Transition planning for the child must be conducted starting with the first treatment plan and must be addressed throughout treatment to support the child's permanency plan and postdischarge mental health service needs.

(n) In order for a provider to receive the daily per-client encounter rate, at least one of the services listed in subdivision 1, paragraph (b), clauses (1) to (3), must be provided. The services listed in subdivision 1, paragraph (b), clauses (4) and (5), may be included as part of the daily per-client encounter rate.

Sec. 19. Minnesota Statutes 2025 Supplement, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities that are covered by a single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph (r);

(3) crisis planning as defined in section 245.4871, subdivision 9a;

(4) medication management provided by a ~~physician, an advanced practice registered nurse with certification in psychiatric and mental health care, or a physician assistant~~ qualified provider;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0624;

(11) transition services;

(12) co-occurring substance use disorder treatment as defined in section 245I.02, subdivision 11; and

(13) housing access support that assists clients to find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(b) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity: client access to crisis intervention services, as defined in section 256B.0624, and available 24 hours per day and seven days per week.

EFFECTIVE DATE. This section is effective July 1, 2027, or upon federal approval, whichever is later.

Sec. 20. Minnesota Statutes 2024, section 256B.0947, subdivision 5, is amended to read:

Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services must meet the standards in this section and chapter 245I as required in section 245I.011, subdivision 5.

(b) The treatment team must have specialized training in providing services to the specific age group of youth that the team serves. An individual treatment team must serve youth who are: (1) at least eight years of age or older and under 16 years of age~~, or~~; (2) at least 14 years of age or older and under 21 years of age; or (3) if a treatment team demonstrates to the commissioner expertise in meeting the developmental and clinical needs of an expanded age range, at least eight years of age or older and under 21 years of age.

(c) The treatment team for intensive nonresidential rehabilitative mental health services comprises both permanently employed core team members and client-specific team members as follows:

(1) Based on professional qualifications and client needs, clinically qualified core team members are assigned on a rotating basis as the client's lead worker to coordinate a client's care. The core team must comprise at least four full-time equivalent direct care staff and must minimally include:

(i) a mental health professional who serves as team leader to provide administrative direction and treatment supervision to the team;

(ii) ~~an advanced practice registered nurse with certification in psychiatric or mental health care or a board-certified child and adolescent psychiatrist, either of which must be credentialed to prescribe medications~~ a psychiatric care provider who is credentialed to prescribe medications and who is either an advanced practice registered nurse with advanced education and training in psychiatric and mental health care or a board-certified psychiatrist. The psychiatric care provider must have demonstrated clinical experience and qualifications for working with children and adolescents with serious mental illness and co-occurring mental illness and substance use disorders;

(iii) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10, and is also a former children's mental health consumer; and

(iv) a co-occurring disorder specialist who meets the requirements under section 256B.0622, subdivision 7a, paragraph (a), clause (4), who will provide or facilitate the provision of co-occurring disorder treatment to clients.

(2) The core team may also include any of the following:

(i) additional mental health professionals;

(ii) a vocational specialist;

(iii) an educational specialist with knowledge and experience working with youth regarding special education requirements and goals, special education plans, and coordination of educational activities with health care activities;

(iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

(v) a clinical trainee qualified according to section 245I.04, subdivision 6;

(vi) a mental health practitioner qualified according to section 245I.04, subdivision 4;

(vii) a case management service provider, as defined in section 245.4871, subdivision 4;

(viii) a housing access specialist; ~~and~~

(ix) a family peer specialist as defined in subdivision 2, paragraph (j)~~.~~; and

(x) a registered nurse, as defined in section 148.171, subdivision 20.

(3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc members not employed by the team who consult on a specific client and who must accept overall clinical direction from the treatment team for the duration of the client's placement with the treatment team and must be paid by the provider agency at the rate for a typical session by that provider with that client or at a rate negotiated with the client-specific member. Client-specific treatment team members may include:

(i) the mental health professional treating the client prior to placement with the treatment team;

(ii) the client's current substance use counselor, if applicable;

(iii) a lead member of the client's individualized education program team or school-based mental health provider, if applicable;

(iv) a representative from the client's health care home or primary care clinic, as needed to ensure integration of medical and behavioral health care;

(v) the client's probation officer or other juvenile justice representative, if applicable; and

(vi) the client's current vocational or employment counselor, if applicable.

(d) The treatment supervisor shall be an active member of the treatment team and shall function as a practicing clinician at least on a part-time basis. The treatment team shall meet with the treatment supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting must include client-specific case reviews and general treatment discussions among team members. Client-specific case reviews and planning must be documented in the individual client's treatment record.

(e) The staffing ratio must not exceed ten clients to one full-time equivalent treatment team position.

(f) The treatment team shall serve no more than 80 clients at any one time. Should local demand exceed the team's capacity, an additional team must be established rather than exceed this limit.

(g) Nonclinical staff shall have prompt access in person or by telephone to a mental health practitioner, clinical trainee, or mental health professional. The provider shall have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to ensure the health and safety of clients.

(h) The intensive nonresidential rehabilitative mental health services provider shall participate in evaluation of the assertive community treatment for youth (Youth ACT) model as conducted by the commissioner, including the collection and reporting of data and the reporting of performance measures as specified by contract with the commissioner.

(i) A regional treatment team may serve multiple counties.

EFFECTIVE DATE. The amendment made to paragraph (c), clause (1), item (ii), of this section is effective July 1, 2027, or upon federal approval, whichever is later.

Sec. 21. Minnesota Statutes 2025 Supplement, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

(e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

(f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

(g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or treatment of the human immunodeficiency virus (HIV).

(h) Co-payments, coinsurance, and deductibles do not apply to mobile crisis intervention, crisis stabilization provided in a community setting, or crisis assessment as defined in section 256B.0624, subdivision 2.

Sec. 22. **DIRECTION TO COMMISSIONER; CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC REBASING.**

Notwithstanding Minnesota Statutes, section 256B.0625, subdivision 5m, paragraph (c), clause (4), for certified community behavioral health clinics certified on or after January 1, 2021, and

before January 1, 2022, the commissioner of human services must rebase rates for purposes of Minnesota Statutes, section 256B.0625, subdivision 5m, paragraph (c), clause (4), for services provided on or after January 1, 2026.

ARTICLE 5

DEPARTMENT OF HUMAN SERVICES HOUSING AND SUPPORT SERVICES

Section 1. Minnesota Statutes 2024, section 245.991, subdivision 3, is amended to read:

Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, or direct assistance funding. Services must be provided to individuals with a serious mental illness, substance use disorder, or ~~with a~~ co-occurring substance use disorder~~,~~ and who are homeless or at imminent risk of homelessness. Individuals receiving homeless outreach services may be presumed eligible until a serious mental illness can be verified.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 245.992, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of human services must establish a housing with support for adults with serious mental illness program to prevent or end homelessness for people with serious mental illness, substance use disorder, or co-occurring substance use disorder; to increase the availability of housing with support~~,~~; and to ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 245.992, subdivision 2, is amended to read:

Subd. 2. **Eligible beneficiaries.** Program activities must be provided to people with a serious mental illness, substance use disorder, or ~~with a~~ co-occurring substance use disorder, who meet homeless criteria determined by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Each assistance unit with income and resources less than the standard of assistance established by the commissioner and with a member who is a resident of the state ~~shall~~ must be eligible for and entitled to general assistance if the assistance unit is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 45 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved substance use disorder domiciliary facility, if the placement is based on illness or incapacity and is according to a plan developed or approved by the county agency through its director or designated representative;

(4) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(5) a person who has an application pending for, or is appealing termination of benefits from, the Social Security disability program or the program of Supplemental Security Income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(6) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(7) a person who has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable for purposes of this clause; a person is considered employable if there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

(8) a person who is determined by the county agency, according to permanent rules adopted by the commissioner, to have a condition that qualifies under Minnesota's special education rules as a specific learning disability, provided that a rehabilitation plan for the person is developed or approved by the county agency, and the person is following the plan;

(9) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, and only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than the child has failed or refuses to cooperate with the county agency in developing the plan;

(10) a person who is eligible for displaced homemaker services, programs, or assistance under section 116L.96, but only if that person is enrolled as a full-time student;

(11) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day;

(12) a person over age 18 whose primary language is not English and who is attending high school at least half time; or

(13) a person whose alcohol and drug addiction is a material factor that contributes to the person's disability~~; applicants who assert this clause as a basis for eligibility must be assessed by the county agency to determine if they are amenable to treatment; if the applicant is determined to be not amenable to treatment, but is otherwise eligible for benefits, then general assistance must be paid in vendor form, for the individual's shelter costs up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a; if the applicant is determined to be amenable to treatment, then in order to receive benefits, the applicant must be in a treatment program or on a waiting list and the benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a~~.

(b) As a condition of eligibility under paragraph (a), clauses (1), (3), (4), (7), and (8), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(c) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or for exemption from the Supplemental Nutrition Assistance Program (SNAP) employment and training program is upon the applicant or recipient. The county agency ~~shall~~ must use documents already in its possession to verify eligibility, and ~~shall~~ must help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

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

Sec. 5. Minnesota Statutes 2024, section 256D.06, subdivision 2, is amended to read:

Subd. 2. **Emergency need.** (a) Notwithstanding the provisions of subdivision 1, a grant of emergency general assistance ~~shall~~ must, to the extent funds are available, be made to an eligible single adult, married couple, or family for an emergency need where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist under written criteria adopted by the county agency and provided to the commissioner annually. If an applicant or recipient relates facts to the county agency which may be sufficient to constitute an emergency situation, the county agency ~~shall~~ must, to the extent funds are available, advise the person of the procedure for applying for assistance according to this subdivision.

(b) The applicant must be ineligible for assistance under chapter 142G, must have annual net income no greater than 200 percent of the federal poverty guidelines for the previous calendar year, and may receive an emergency assistance grant not more than once in any 12-month period.

(c) Funding for an emergency general assistance program is limited to the appropriation. Each fiscal year, the commissioner ~~shall~~ must allocate to counties the money appropriated for emergency general assistance grants based on each county agency's average share of state's emergency general expenditures for the immediate past three fiscal years as determined by the commissioner, and may reallocate any unspent amounts to other counties. No county shall be allocated less than $1,000 for a fiscal year.

(d) Any emergency general assistance expenditures by a county above the amount of the commissioner's allocation to the county must be made from county funds.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 256D.54, subdivision 1, is amended to read:

Subdivision 1. **Potential eligibility.** An applicant or recipient who is otherwise eligible for supplemental aid and who is potentially eligible for maintenance benefits from any other source ~~shall~~ must (1) apply for those benefits within ~~30~~ 90 days of the county's determination of potential eligibility for those benefits; and (2) execute an interim assistance authorization agreement on a form as directed by the commissioner.

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

Sec. 7. Minnesota Statutes 2024, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers of housing support must be in writing on a form developed and approved by the commissioner and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider, if different from the establishment, is licensed by the Department of Health or the Department of Human Services; the specific license or registration from the Department of Health or the Department of Human Services held by the provider and the number of beds subject to that license; the address of the location or locations at which housing support is provided under this agreement; the per diem and monthly rates that are to be paid from housing support funds for each eligible resident at each location; the number of beds at each location which are subject to the agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

(b) Providers are required to verify the following minimum requirements in the agreement:

(1) current license or registration, including authorization if managing or monitoring medications;

(2) all staff who have direct contact with recipients meet the staff qualifications;

(3) the provision of housing support;

(4) the provision of supplementary services, if applicable;

(5) reports of adverse events, including recipient death or serious injury;

(6) submission of residency requirements that could result in recipient eviction; and

(7) confirmation that the provider will not limit or restrict the number of hours an applicant or recipient chooses to be employed, as specified in subdivision 5.

(c) Agreements may be terminated with or without cause by the commissioner, the agency, or the provider with two calendar months prior notice. The commissioner may immediately terminate an agreement under subdivision 2d.

(d) Agencies must develop a process by which the agency seeks, reviews, and approves housing support agreements. Agencies must report the processes and results to the commissioner in a format determined by the commissioner and must make the processes available to prospective housing support providers.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 256K.46, subdivision 5, is amended to read:

Subd. 5. **Reporting.** Grant recipients ~~shall~~ must report annually on the use of shelter-linked youth mental health grants to the commissioner by December 31~~, beginning in 2020~~. Each report ~~shall~~ must include the name and location of the grant recipient, the amount of each grant, the youth mental health services provided, and the number of youth receiving services. The commissioner ~~shall~~ must determine the form required for the reports and may specify additional reporting requirements. ~~The commissioner shall include the shelter-linked youth mental health services program in the biennial report required under section 256K.45, subdivision 2.~~

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

Sec. 9. **REPEALER.**

Minnesota Statutes 2024, sections 256D.09, subdivisions 2a and 2b; and 256K.45, subdivision 2, are repealed.

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

ARTICLE 6

DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL

Section 1. Minnesota Statutes 2025 Supplement, section 245A.10, subdivision 4, is amended to read:

Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed to provide one or more of the home and community-based services and supports identified under chapter 245D to persons with disabilities or age 65 and older, ~~shall~~ must pay an annual nonrefundable license fee based on revenues derived from the provision of services that would require licensure under chapter 245D during the calendar year immediately preceding the year in which the license fee is paid, according to the following schedule:

License Holder Annual Revenue	License Fee
less than or equal to $10,000	$250

greater than $10,000 but less than or equal to $25,000	$375
greater than $25,000 but less than or equal to $50,000	$500
greater than $50,000 but less than or equal to $100,000	$625
greater than $100,000 but less than or equal to $150,000	$750
greater than $150,000 but less than or equal to $200,000	$1,000
greater than $200,000 but less than or equal to $250,000	$1,250
greater than $250,000 but less than or equal to $300,000	$1,500
greater than $300,000 but less than or equal to $350,000	$1,750
greater than $350,000 but less than or equal to $400,000	$2,000
greater than $400,000 but less than or equal to $450,000	$2,250
greater than $450,000 but less than or equal to $500,000	$2,500
greater than $500,000 but less than or equal to $600,000	$2,850
greater than $600,000 but less than or equal to $700,000	$3,200
greater than $700,000 but less than or equal to $800,000	$3,600
greater than $800,000 but less than or equal to $900,000	$3,900
greater than $900,000 but less than or equal to $1,000,000	$4,250
greater than $1,000,000 but less than or equal to $1,250,000	$4,550
greater than $1,250,000 but less than or equal to $1,500,000	$4,900
greater than $1,500,000 but less than or equal to $1,750,000	$5,200
greater than $1,750,000 but less than or equal to $2,000,000	$5,500
greater than $2,000,000 but less than or equal to $2,500,000	$5,900

greater than $2,500,000 but less than or equal to $3,000,000	$6,200
greater than $3,000,000 but less than or equal to $3,500,000	$6,500
greater than $3,500,000 but less than or equal to $4,000,000	$7,200
greater than $4,000,000 but less than or equal to $4,500,000	$7,800
greater than $4,500,000 but less than or equal to $5,000,000	$9,000
greater than $5,000,000 but less than or equal to $7,500,000	$10,000
greater than $7,500,000 but less than or equal to $10,000,000	$14,000
greater than $10,000,000 but less than or equal to $12,500,000	$18,000
greater than $12,500,000 but less than or equal to $15,000,000	$25,000
greater than $15,000,000 but less than or equal to $17,500,000	$28,000
greater than $17,500,000 but less than or equal to $20,000,000	$32,000
greater than $20,000,000 but less than or equal to $25,000,000	$36,000
greater than $25,000,000 but less than or equal to $30,000,000	$45,000
greater than $30,000,000 but less than or equal to $35,000,000	$55,000
greater than $35,000,000	$75,000

(2) If requested, the license holder ~~shall~~ must provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee ~~shall~~ must be subject to a civil penalty in the amount of double the fee the provider should have paid.

(b) A substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment ~~shall~~ must pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee

1 to 24 persons	$2,600
25 to 49 persons	$3,000
50 to 74 persons	$5,000
75 to 99 persons	$10,000
100 to 199 persons	$15,000
200 or more persons	$20,000

(c) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F ~~shall~~ must pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	$2,600
25 to 49 persons	$3,000
50 or more persons	$5,000

A detoxification program that also operates a withdrawal management program at the same location ~~shall~~ must only pay one fee based upon the licensed capacity of the program with the higher overall capacity.

(d) A children's residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	$1,000
25 to 49 persons	$1,100
50 to 74 persons	$1,200
75 to 99 persons	$1,300
100 or more persons	$1,400

(e) A residential facility licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness ~~shall~~ must pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	$2,600
25 to 49 persons	$3,000
50 or more persons	$20,000

(f) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities ~~shall~~ must pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	$450
25 to 49 persons	$650
50 to 74 persons	$850

75 to 99 persons	$1,050
100 or more persons	$1,250

(g) A program licensed as an adult day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, ~~shall~~ must pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	$2,600
25 to 49 persons	$3,000
50 to 74 persons	$5,000
75 to 99 persons	$10,000
100 to 199 persons	$15,000
200 or more persons	$20,000

(h) A program licensed to provide treatment services to persons with sexual psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to 9515.3110, ~~shall~~ must pay an annual nonrefundable license fee of $20,000.

(i) A mental health clinic certified under section 245I.20 ~~shall~~ must pay an annual nonrefundable certification fee of $1,550. If the mental health clinic provides services at a primary location with satellite facilities, the satellite facilities ~~shall~~ must be certified with the primary location without an additional charge.

(j) If a program subject to annual fees under paragraph (b) provides services at a primary location with satellite facilities, the satellite facilities must be licensed with the primary location and must be subject to an additional $500 annual nonrefundable license fee per satellite facility.

Sec. 2. Minnesota Statutes 2025 Supplement, section 245A.142, subdivision 3, is amended to read:

Subd. 3. **Provisional license.** (a) Beginning January 1, 2026, the commissioner ~~shall~~ must begin issuing provisional licenses to agencies enrolled under chapter 256B to provide EIDBI services.

(b) Agencies enrolled before July 1, 2025, have until May 31, 2026, to submit an application for provisional licensure on the forms and in the manner prescribed by the commissioner.

(c) Beginning June 1, 2026, an agency must not operate if it has not submitted an application for provisional licensure under this section. The commissioner shall disenroll an agency from providing EIDBI services under chapter 256B if the agency fails to submit an application for provisional licensure by May 31, 2026.

(d) The commissioner must determine whether a provisional license applicant complies with all applicable rules and laws and either issue a provisional license to the applicant or deny the application by December 31, 2026.

(e) A provisional license is effective until comprehensive EIDBI agency licensure standards are in effect unless the provisional license is suspended or revoked.

(f) Initial provisional license applications are subject to the application fee under section 245A.10, subdivision 3.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose ~~and~~. For administration via intramuscular injection, a license holder must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of intramuscular injection opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both, before the staff has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and must instead describe the program's procedures for administering opiate antagonist medications in the license holder's description of health care services under section 245G.08, subdivision 1.

Sec. 4. Minnesota Statutes 2024, section 245C.02, subdivision 18, is amended to read:

Subd. 18. **Serious maltreatment.** (a) "Serious maltreatment" means sexual abuse~~,~~; maltreatment resulting in death~~,~~; neglect resulting in serious injury which reasonably requires the care of a physician, advanced practice registered nurse, or physician assistant whether or not the care of a physician, advanced practice registered nurse, or physician assistant was sought~~, or~~; abuse resulting in serious injury; or financial exploitation of a vulnerable adult, if the value of the funds or property is $1,000 or greater.

(b) For purposes of this ~~definition~~ subdivision, "care of a physician, advanced practice registered nurse, or physician assistant" is treatment received or ordered by a physician, physician assistant, or advanced practice registered nurse, but does not include:

(1) diagnostic testing, assessment, or observation;

(2) the application of, recommendation to use, or prescription solely for a remedy that is available over the counter without a prescription; or

(3) a prescription solely for a topical antibiotic to treat burns when there is no follow-up appointment.

(c) For purposes of this ~~definition~~ subdivision, "abuse resulting in serious injury" means: bruises, bites, skin laceration, or tissue damage; fractures; dislocations; evidence of internal injuries; head injuries with loss of consciousness; extensive second-degree or third-degree burns and other burns for which complications are present; extensive second-degree or third-degree frostbite and other frostbite for which complications are present; irreversible mobility or avulsion of teeth; injuries to the eyes; ingestion of foreign substances and objects that are harmful; near drowning; and heat exhaustion or sunstroke.

(d) Serious maltreatment includes neglect when it results in criminal sexual conduct against a child or vulnerable adult.

Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 1, is amended to read:

Subdivision 1. **Programs licensed by the commissioner.** (a) The commissioner ~~shall~~ must conduct a background study on:

(1) the person or persons applying for a license;

(2) an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;

(3) current or prospective employees of the applicant or license holder who will have direct contact with persons served by the facility, agency, or program;

(4) volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);

(5) an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(6) an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; and

(7) all controlling individuals as defined in section 245A.02, subdivision 5a;

(8) notwithstanding clause (3), for children's residential facilities and foster residence settings, any adult working in the facility, whether or not the individual will have direct contact with persons served by the facility.

(b) For child foster care when the license holder resides in the home where foster care services are provided, a short-term substitute caregiver providing direct contact services for a child for less than 72 hours of continuous care is not required to receive a background study under this chapter.

(c) This subdivision applies to the following programs that must be licensed under chapter 245A:

(1) adult foster care;

(2) children's residential facilities;

(3) licensed home and community-based services under chapter 245D;

(4) residential mental health programs for adults;

(5) substance use disorder treatment programs under chapter 245G;

(6) withdrawal management programs under chapter 245F;

(7) adult day care centers;

(8) family adult day services;

(9) detoxification programs;

(10) community residential settings;

(11) intensive residential treatment services and residential crisis stabilization under chapter 245I; ~~and~~

(12) treatment programs for persons with sexual psychopathic personality or sexually dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts 9515.3000 to 9515.3110~~.~~; and

(13) children's foster residence settings.

EFFECTIVE DATE. This section is effective November 3, 2026.

Sec. 6. Minnesota Statutes 2024, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner ~~shall~~ must conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner ~~shall~~ must conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, including a child care background study subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed child care center, certified license-exempt child care center, or legal nonlicensed child care provider, on a schedule determined by the commissioner. Except as provided in section 245C.05, subdivision 5a, a child care background study must include submission of fingerprints for a national criminal history record check and a review of the information under section 245C.08. A background study for a child care

program must be repeated within five years from the most recent study conducted under this paragraph.

(c) At reauthorization or when a new background study is needed under section 142E.16, subdivision 2, for a legal nonlicensed child care provider authorized under chapter 142E:

(1) for a background study affiliated with a legal nonlicensed child care provider, the individual ~~shall~~ must provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed under section 245C.05, subdivision 5; and

(2) the commissioner ~~shall~~ must verify the information received under clause (1) and submit the request in NETStudy 2.0 to complete the background study.

(d) At reapplication for a family child care license:

(1) for a background study affiliated with a licensed family child care center, the individual ~~shall~~ must provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed under section 245C.05, subdivision 5;

(2) the county agency ~~shall~~ must verify the information received under clause (1) and forward the information to the commissioner and submit the request in NETStudy 2.0 to complete the background study; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08.

~~(e) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services and the following conditions are met:~~

~~(1) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;~~

~~(2) the individual has been continuously affiliated with the license holder since the last study was conducted; and~~

~~(3) the last study of the individual was conducted on or after October 1, 1995.~~

~~(f)~~ (e) The commissioner of human services ~~shall~~ must conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated, or currently affiliated without a background study that was submitted through the electronic system known as NETStudy 2.0, with a child foster family setting license holder:

(1) the county or private agency ~~shall~~ must collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, when the child foster family setting applicant or license holder resides in the home where child foster care services are provided; and

(2) the background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

~~(g)~~ (f) The commissioner ~~shall~~ must conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated, or currently affiliated without a background study that was submitted through the electronic system known as NETStudy 2.0, with an adult foster care or family adult day services and with a family child care license holder or a legal nonlicensed child care provider authorized under chapter 142E and:

(1) except as provided in section 245C.05, subdivision 5a, the county ~~shall~~ must collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted by the commissioner for all family adult day services, for adult foster care when the adult foster care license holder resides in the adult foster care residence, and for family child care and legal nonlicensed child care authorized under chapter 142E;

(2) the license holder ~~shall~~ must collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for adult foster care when the license holder does not reside in the adult foster care residence; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

~~(h)~~ (g) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study requests to the commissioner using the electronic system known as NETStudy 2.0 before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

~~(i)~~ (h) For an individual who is not on the entity's active roster, the entity must initiate a new background study through NETStudy when:

(1) an individual returns to a position requiring a background study following an absence of 120 or more consecutive days; or

(2) a program that discontinued providing licensed direct contact services for 120 or more consecutive days begins to provide direct contact licensed services again.

The license holder ~~shall~~ must maintain a copy of the notification provided to the commissioner under this paragraph in the program's files. If the individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside ~~shall~~ must remain in effect.

~~(j)~~ (i) For purposes of this section, a physician licensed under chapter 147, advanced practice registered nurse licensed under chapter 148, or physician assistant licensed under chapter 147A is considered to be continuously affiliated upon the license holder's receipt from the commissioner of

health or human services of the physician's, advanced practice registered nurse's, or physician assistant's background study results.

~~(k)~~ (j) For purposes of family child care, a substitute caregiver must receive repeat background studies at the time of each license renewal.

~~(l)~~ (k) A repeat background study at the time of license renewal is not required if the family child care substitute caregiver's background study was completed by the commissioner on or after October 1, 2017, and the substitute caregiver is on the license holder's active roster in NETStudy 2.0.

~~(m)~~ (l) Before and after school programs authorized under chapter 142E, are exempt from the background study requirements under section 123B.03, for an employee for whom a background study under this chapter has been completed.

Sec. 7. Minnesota Statutes 2025 Supplement, section 245C.07, is amended to read:

245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.

(a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other entity owns multiple programs or services that are licensed by the Department of Human Services; Department of Children, Youth, and Families; Department of Health; or Department of Corrections, only one background study is required for an individual who provides direct contact services in one or more of the licensed programs or services if:

(1) the license holder designates one individual with one address and telephone number as the person to receive sensitive background study information for the multiple licensed programs or services that depend on the same background study; and

(2) the individual designated to receive the sensitive background study information is capable of determining, upon request of the department, whether a background study subject is providing direct contact services in one or more of the license holder's programs or services and, if so, at which location or locations.

(b) When a license holder maintains background study compliance for multiple licensed programs according to paragraph (a), and one or more of the licensed programs closes, the license holder shall immediately notify the commissioner which staff must be transferred to an active license so that the background studies can be electronically paired with the license holder's active program.

(c) When a background study is being initiated by a licensed program or service or a foster care provider that is also licensed under chapter 144G, a study subject affiliated with multiple licensed programs or services may attach to the background study form a cover letter indicating the additional names of the programs or services, addresses, and background study identification numbers.

When the commissioner receives a notice, the commissioner ~~shall~~ must notify each program or service identified by the background study subject of the study results.

The background study notice the commissioner sends to the subsequent agencies ~~shall~~ must satisfy those programs' or services' responsibilities for initiating a background study on that individual.

(d) ~~If a background study was conducted on an individual related to child foster care and the requirements under paragraph (a) are met, the background study is transferable across all licensed programs.~~ If a background study was conducted on an individual under a license other than child foster care and the requirements under paragraph (a) are met, the background study is transferable to all licensed programs except child foster care.

(e) The provisions of this section that allow a single background study in one or more licensed programs or services do not apply to background studies submitted by adoption agencies, supplemental nursing services agencies, personnel pool agencies, educational programs, professional services agencies, temporary personnel agencies, and unlicensed personal care provider organizations.

(f) For an entity operating under NETStudy 2.0, the entity's active roster must be the system used to document when a background study subject is affiliated with multiple entities. For a background study to be transferable:

(1) the background study subject must be on and moving to a roster for which the person designated to receive sensitive background study information is the same; and

(2) the same entity must own or legally control both the roster from which the transfer is occurring and the roster to which the transfer is occurring. For an entity that holds or controls multiple licenses, or unlicensed personal care provider organizations, there must be a common highest level entity that has a legally identifiable structure that can be verified through records available from the secretary of state.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 8. Minnesota Statutes 2025 Supplement, section 245C.13, subdivision 2, is amended to read:

Subd. 2. **Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual affiliated with a Title IV-E eligible children's residential facility or foster residence setting, the individual may not work in the facility or setting regardless of whether or not the individual is supervised;

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) For a child care background study ~~affiliated with a licensed child care center or certified license-exempt child care center~~ subject required to submit fingerprints for a national criminal history check, except as provided in section 245C.05, subdivision 5a, the notice sent under paragraph (a), clause (1), item (ii), must not be issued until the commissioner receives a qualifying result for the individual for the fingerprint-based national criminal history record check or the fingerprint-based criminal history information from the Bureau of Criminal Apprehension. The notice must require the individual to be under continuous direct supervision prior to completion of the remainder of the background study except as permitted in subdivision 3.

(c) Activities prohibited prior to receipt of notice under paragraph (a) include:

(1) being issued a license;

(2) living in the household where the licensed program will be provided;

(3) providing direct contact services to persons served by a program unless the subject is under continuous direct supervision;

(4) having access to persons receiving services if the background study was completed under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2), (5), or (6), unless the subject is under continuous direct supervision;

(5) for ~~licensed child care centers and certified license-exempt child care centers~~ a child care background study subject, ~~providing direct contact services to persons served by the program~~ performing any act listed in section 245C.02, subdivision 6a, unless the study is being renewed under section 245C.04, subdivision 1, paragraph (b), and it has been less than five years since the child care background study subject was previously disqualified or provided notice under paragraph (a), clause (1), item (i);

(6) for children's residential facilities or foster residence settings, working in the facility or setting;

(7) for background studies affiliated with a personal care provider organization, except as provided in section 245C.03, subdivision 3b, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study of the personal care assistant under this chapter and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22; or

(8) for background studies affiliated with an early intensive developmental and behavioral intervention provider, before an individual provides services, the early intensive developmental and behavioral intervention provider must initiate a background study for the individual under this

chapter and the early intensive developmental and behavioral intervention provider must have received a notice from the commissioner that the individual is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the individual has received a set-aside of the disqualification under section 245C.22.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 245C.15, subdivision 2, is amended to read:

Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a felony-level violation of any of the following offenses: sections 152.021, subdivision 1 or 2b, (aggravated controlled substance crime in the first degree; sale crimes); 152.022, subdivision 1 (controlled substance crime in the second degree; sale crimes); 152.023, subdivision 1 (controlled substance crime in the third degree; sale crimes); 152.024, subdivision 1 (controlled substance crime in the fourth degree; sale crimes); 256.98 (wrongfully obtaining assistance); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 518B.01, subdivision 14 (violation of an order for protection); 609.165 (felon ineligible to possess firearm); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2334 (violation of an order for protection against financial exploitation of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.255 (false imprisonment); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical assistance fraud); 609.495 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated first-degree or first-degree tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.542 (illegal remunerations); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.746 (interference with privacy); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); or 624.713 (certain persons not to possess firearms).

(b) An individual is disqualified under section 245C.14 if less than 15 years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) An individual is disqualified under section 245C.14 if less than 15 years has passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or subdivision 3.

(d) An individual is disqualified under section 245C.14 if less than 15 years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses listed in paragraph (a) or since the termination of parental rights in any other state or country, the elements of which are substantially similar to the elements listed in paragraph (c).

(e) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified but the disqualification look-back period for the offense is the period applicable to the gross misdemeanor or misdemeanor disposition.

(f) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

Sec. 10. Minnesota Statutes 2024, section 245C.15, subdivision 3, is amended to read:

Subd. 3. **Ten-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than ten years have passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a gross misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 260B.425 (criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency); 260C.425 (criminal jurisdiction for contributing to need for protection or services); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 or 609.222 (assault in the first or second degree); 609.223 or 609.2231 (assault in the third or fourth degree); 609.224 (assault in the fifth degree); 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.2242 and 609.2243 (domestic assault); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2334 (violation of an order for protection against financial exploitation of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.265 (abduction); 609.275 (attempt to coerce); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.466 (medical assistance fraud); 609.52 (theft); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.582 (burglary); 609.59 (possession of burglary tools); 609.611 (insurance fraud); 609.631 (check forgery; offering a forged check); 609.66 (dangerous weapons); 609.71 (riot); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); 609.746 (interference

with privacy); 609.749, subdivision 2 (harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); or Minnesota Statutes 2012, section 609.21; or violation of an order for protection under section 518B.01, subdivision 14.

(b) An individual is disqualified under section 245C.14 if less than ten years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

(c) An individual is disqualified under section 245C.14 if less than ten years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraph (a).

(d) If the individual studied commits one of the offenses listed in paragraph (a), but the sentence or level of offense is a misdemeanor disposition, the individual is disqualified but the disqualification lookback period for the offense is the period applicable to misdemeanors.

(e) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

Sec. 11. Minnesota Statutes 2024, section 245C.15, subdivision 4, is amended to read:

Subd. 4. **Seven-year disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) less than seven years has passed since the discharge of the sentence imposed, if any, for the offense; and (2) the individual has committed a misdemeanor-level violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 260B.425 (criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency); 260C.425 (criminal jurisdiction for contributing to need for protection or services); 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic assault); 609.2334 (violation of an order for protection against financial exploitation of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.2672 (assault of an unborn child in the third degree); 609.27 (coercion); violation of an order for protection under 609.3232 (protective order authorized; procedures; penalties); 609.466 (medical assistance fraud); 609.52 (theft); 609.522 (organized retail theft); 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen property); 609.535 (issuance of dishonored checks); 609.611 (insurance fraud); 609.66 (dangerous weapons); 609.665 (spring guns); 609.746 (interference with privacy); 609.79 (obscene or harassing telephone calls); 609.795 (letter, telegram, or package; opening; harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud); 617.23 (indecent exposure),

not involving a minor; 617.293 (harmful materials; dissemination and display to minors prohibited); or Minnesota Statutes 2012, section 609.21; or violation of an order for protection under section 518B.01 (Domestic Abuse Act).

(b) An individual is disqualified under section 245C.14 if less than seven years has passed since a determination or disposition of the individual's:

(1) failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which: (i) the final disposition under section 626.557 or chapter 260E was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or

(2) substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under section 626.557 or chapter 260E for which: (i) there is a preponderance of evidence that the maltreatment occurred, and (ii) the subject was responsible for the maltreatment.

(c) An individual is disqualified under section 245C.14 if less than seven years has passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes.

(d) An individual is disqualified under section 245C.14 if less than seven years has passed since the discharge of the sentence imposed for an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in paragraphs (a) and (b).

(e) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(f) An individual is disqualified under section 245C.14 if less than seven years has passed since the individual was disqualified under section 256.98, subdivision 8.

Sec. 12. Minnesota Statutes 2025 Supplement, section 245C.15, subdivision 4a, is amended to read:

Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding subdivisions 1 to 4, 4b, and 4c, for a background study affiliated with a licensed family foster setting, regardless of how much time has passed, an individual is disqualified under section 245C.14 if the individual committed an act that resulted in a felony-level conviction for sections: 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse); 609.223, subdivision 3 (assault in the third degree, victim

under four); a felony offense under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in, hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession of child sexual abuse material).

(b) Notwithstanding subdivisions 1 to 4, 4b, and 4c, for the purposes of a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14, regardless of how much time has passed, if the individual:

(1) committed an action under paragraph (e) that resulted in death or involved sexual abuse, as defined in section 260E.03, subdivision 20;

(2) committed an act that resulted in a gross misdemeanor-level conviction for section 609.3451 (criminal sexual conduct in the fifth degree);

(3) committed an act against or involving a minor that resulted in a felony-level conviction for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree); or

(4) committed an act that resulted in a misdemeanor or gross misdemeanor-level conviction for section 617.293 (dissemination and display of harmful materials to minors).

(c) Notwithstanding subdivisions 1 to 4, 4b, and 4c, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b).

(d) Notwithstanding subdivisions 1 to 4, 4b, and 4c, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than five years have passed since a felony-level violation for sections: 152.021 (controlled substance crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing controlled substances across state borders); 152.0262, subdivision 1, paragraph (b) (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia; prohibited conduct; criminal penalties; civil liabilities); 152.137 (fentanyl- and methamphetamine-related crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while impaired); 243.166 (violation of predatory offender registration requirements); 609.2113 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

(e) Notwithstanding subdivisions 1 to 4, 4b, and 4c, except as provided in paragraph (a), for a background study affiliated with a licensed family child foster care license, an individual is disqualified under section 245C.14 if fewer than five years have passed since:

(1) a felony-level violation for an act not against or involving a minor that constitutes: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the fifth degree);

(2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under chapter 260E or section 626.557 and meet the definition of serious maltreatment or recurring maltreatment;

(5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect); 609.377 (malicious

punishment of a child); 609.378 (neglect or endangerment of a child); 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

(6) committing an act against or involving a minor that resulted in a misdemeanor-level violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

(h) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

Sec. 13. Minnesota Statutes 2025 Supplement, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, financial management services organizations, community first services and supports organizations, unlicensed home and community-based organizations, and consumer-directed community supports organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph ~~(h)~~ (g), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the substance use disorder field, if the commissioner has previously set aside an individual's disqualification for one or more programs or agencies in the substance use disorder treatment field, and the individual is the subject of a subsequent background study for a different program or agency in the substance use disorder treatment field, the commissioner shall set aside the disqualification for the program or agency in the substance use disorder treatment field that initiated the subsequent background study when the criteria under paragraph (b), clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued within 15 working days.

(d) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 14. Minnesota Statutes 2024, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in paragraphs (b) to ~~(g)~~ (f), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual in the substance use disorder or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of

care to children or vulnerable adults and the circumstances of the individual's departure from that service.

(c) If an individual who requires a background study for nonemergency medical transportation services under section 245C.03, subdivision 12, was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and if more than 40 years have passed since the discharge of the sentence imposed, the commissioner may consider granting a set-aside pursuant to section 245C.22. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the employer. This paragraph does not apply to a person disqualified based on a violation of sections 243.166; 609.185 to 609.205; 609.25; 609.342 to 609.3453; 609.352; 617.23, subdivision 2, clause (1), or 3, clause (1); 617.246; or 617.247.

(d) When a licensed foster care provider adopts an individual who had received foster care services from the provider for over six months, and the adopted individual is required to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30 to permit the adopted individual with a permanent disqualification to remain affiliated with the license holder under the conditions of the variance when the variance is recommended by the county of responsibility for each of the remaining individuals in placement in the home and the licensing agency for the home.

(e) For an individual 18 years of age or older affiliated with a licensed family foster setting, the commissioner must not set aside or grant a variance for the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraphs (a) and (b).

(f) In connection with a family foster setting license, the commissioner may grant a variance to the disqualification for an individual who is under 18 years of age at the time the background study is submitted.

~~(g) In connection with foster residence settings and children's residential facilities, the commissioner must not set aside or grant a variance for the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 4a, paragraph (a) or (b).~~

Sec. 15. Minnesota Statutes 2024, section 245D.04, subdivision 3, is amended to read:

Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include the right to:

(1) have personal, financial, service, health, and medical information kept private, and be advised of disclosure of this information by the license holder;

(2) access records and recorded information about the person in accordance with applicable state and federal law, regulation, or rule;

(3) be free from maltreatment;

(4) be free from restraint, time out, seclusion, restrictive intervention, or other prohibited procedure identified in section 245D.06, subdivision 5, or successor provisions, except for: (i) emergency use of manual restraint to protect the person from imminent danger to self or others

according to the requirements in section 245D.061 or successor provisions; or (ii) the use of safety interventions as part of a positive support transition plan under section 245D.06, subdivision 8, or successor provisions;

(5) receive services in a clean and safe environment when the license holder is the owner, lessor, or tenant of the service site;

(6) be treated with courtesy and respect and receive respectful treatment of the person's property;

(7) reasonable observance of cultural and ethnic practice and religion;

(8) be free from bias and harassment regarding race, gender, age, disability, spirituality, and sexual orientation;

(9) be informed of and use the license holder's grievance policy and procedures, including knowing how to contact persons responsible for addressing problems and to appeal under section 256.045;

(10) know the name, telephone number, and the website, email, and street addresses of protection and advocacy services, including the appropriate state-appointed ombudsman, and a brief description of how to file a complaint with these offices;

(11) assert these rights personally, or have them asserted by the person's family, authorized representative, or legal representative, without retaliation;

(12) give or withhold written informed consent to participate in any research or experimental treatment;

(13) associate with other persons of the person's choice in the community;

(14) personal privacy, including the right to use the lock on the person's bedroom or unit door;

(15) engage in chosen activities; and

(16) access to the person's personal possessions at any time, including financial resources.

(b) For a person residing in a residential site licensed according to chapter 245A, or where the license holder is the owner, lessor, or tenant of the residential service site, protection-related rights also include the right to:

(1) have daily, private access to and use of a non-coin-operated telephone for local calls and long-distance calls made collect or paid for by the person;

(2) receive and send, without interference, uncensored, unopened mail or electronic correspondence or communication;

(3) have use of and free access to common areas in the residence and the freedom to come and go from the residence at will;

(4) choose the person's visitors and time of visits and have privacy for visits with the person's spouse, next of kin, legal counsel, religious adviser, or others, in accordance with section 363A.09 of the Human Rights Act, including privacy in the person's bedroom;

(5) have access to three nutritionally balanced meals and nutritious snacks between meals each day;

(6) have freedom and support to access food and potable water at any time;

(7) have the freedom to furnish and decorate the person's bedroom or living unit;

(8) a setting that is clean and free from accumulation of dirt, grease, garbage, peeling paint, mold, vermin, and insects;

(9) a setting that is free from hazards that threaten the person's health or safety; and

(10) a setting that meets the definition of a dwelling unit within a residential occupancy as defined in the State Fire Code.

(c) Restriction of a person's rights under paragraph (a), clauses (13) to (16), or paragraph (b), clauses (1) to (7), is allowed only if determined necessary to ensure the health, safety, and well-being of the person. Any restriction of those rights must be documented in the person's support plan or support plan addendum. The restriction must be implemented in the least restrictive alternative manner necessary to protect the person and provide support to reduce or eliminate the need for the restriction in the most integrated setting and inclusive manner. The documentation must include the following information:

(1) the justification for the restriction based on an assessment of the person's vulnerability related to exercising the right without restriction;

(2) the objective measures set as conditions for ending the restriction;

(3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur semiannually from the date of initial approval, at a minimum, or more frequently if requested by the person, the person's legal representative, if any, and case manager; and

(4) signed and dated approval for the restriction from the person, or the person's legal representative, if any. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.

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

Sec. 16. Minnesota Statutes 2024, section 245D.10, subdivision 4, is amended to read:

Subd. 4. **Availability of current written policies and procedures.** (a) The license holder must review and update, as needed, the written policies and procedures required under this chapter.

(b)(1) The license holder must inform the person or the person's legal representative and case manager of the policies and procedures affecting a person's rights under section 245D.04, and provide copies of those policies and procedures, within five working days of service initiation.

(2) If a license holder only provides basic services and supports, this includes the:

(i) grievance policy and procedure required under subdivision 2; ~~and~~

(ii) service suspension and termination policy and procedure required under subdivision 3~~.~~; and

(iii) emergency use of manual restraints policy and procedure required under section 245D.061, subdivision 9, or successor provisions.

(3) For all other license holders this includes the:

(i) policies and procedures in clause (2); and

~~(ii) emergency use of manual restraints policy and procedure required under section 245D.061, subdivision 9, or successor provisions; and~~

~~(iii)~~ (ii) data privacy requirements under section 245D.11, subdivision 3.

(c) The license holder must provide a written notice to all persons or their legal representatives and case managers at least 30 days before implementing any procedural revisions to policies affecting a person's service-related or protection-related rights under section 245D.04 and maltreatment reporting policies and procedures. The notice must explain the revision that was made and include a copy of the revised policy and procedure. The license holder must document the reasonable cause for not providing the notice at least 30 days before implementing the revisions.

(d) Before implementing revisions to required policies and procedures, the license holder must inform all employees of the revisions and provide training on implementation of the revised policies and procedures.

(e) The license holder must annually notify all persons, or their legal representatives, and case managers of any procedural revisions to policies required under this chapter, other than those in paragraph (c). Upon request, the license holder must provide the person, or the person's legal representative, and case manager with copies of the revised policies and procedures.

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

Sec. 17. Minnesota Statutes 2025 Supplement, section 260E.03, subdivision 6, is amended to read:

Subd. 6. **Facility.** "Facility" means:

(1) a licensed or unlicensed day care facility, certified license-exempt child care center, residential facility, agency, psychiatric residential treatment facility, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 142B, 142C, 144H, or 245D;

(2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

Sec. 18. Minnesota Statutes 2025 Supplement, section 260E.11, subdivision 1, is amended to read:

Subdivision 1. **Reports of maltreatment in facility.** A person mandated to report child maltreatment occurring within a licensed facility ~~shall~~ must report the information to the agency responsible for licensing or certifying the facility under sections 144.50 to 144.58, 241.021, and 245A.01 to 245A.16 or chapter 142B, 142C, 144H, or 245D or to a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a. A person mandated to report child maltreatment occurring within a federally certified psychiatric residential treatment facility must report the information to the Department of Health.

Sec. 19. Minnesota Statutes 2025 Supplement, section 260E.14, subdivision 1, is amended to read:

Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency responsible for investigating allegations of maltreatment in child foster care, family child care, legally nonlicensed child care, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of Human Services is the agency responsible for screening and investigating allegations of maltreatment in juvenile correctional facilities listed under section 241.021 located in the local welfare agency's county and in facilities licensed or certified under chapters 245A and 245D, except federally certified psychiatric residential treatment facilities.

(c) The Department of Health is the agency responsible for screening and investigating allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43 to 144A.482 or chapter 144H, and federally certified as a psychiatric residential treatment facility.

(d) The Department of Education is the agency responsible for screening and investigating allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E. The Department of Education's responsibility to screen and investigate includes allegations of maltreatment involving students 18 through 21 years of age, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma.

(e) The Department of Human Services is the agency responsible for screening and investigating allegations of maltreatment of minors in an EIDBI agency operating under sections 245A.142 and 256B.0949.

(f) A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

(g) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in facilities or programs not listed in paragraph (a) that are licensed or certified under chapters 142B and 142C.

Sec. 20. Minnesota Statutes 2025 Supplement, section 626.5572, subdivision 13, is amended to read:

Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, federally certified psychiatric residential treatment facilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, EIDBI agencies, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services, except federally certified psychiatric residential treatment facilities. The Department of Human Services is also the lead investigative agency for unlicensed EIDBI agencies under section 256B.0949.

(c) The county social service agency or its designee is the lead investigative agency for all other reports, including but not limited to reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659.

Sec. 21. **NEW BACKGROUND STUDIES FOR INDIVIDUALS NOT IN NETSTUDY 2.0.**

By March 1, 2027, the commissioner of human services and counties must conduct new background studies for all individuals specified under Minnesota Statutes, section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), and affiliated with a child foster family setting license holder, adult foster care or family adult day services and with a family child care license holder, or a legal nonlicensed child care provider authorized under Minnesota Statutes, chapter 142E. The commissioner or county must follow the requirements in Minnesota Statutes, section 245C.04, subdivision 1, paragraphs (e) and (f), when conducting the background studies under this section. The new background studies must be submitted through NETStudy 2.0.

EFFECTIVE DATE. This section is effective September 1, 2026.

ARTICLE 7

CHILDREN, YOUTH, AND FAMILIES

Section 1. Minnesota Statutes 2024, section 142A.43, is amended to read:

142A.43 ~~GRANTS-IN-AID~~ GRANTS TO YOUTH INTERVENTION PROGRAMS.

Subdivision 1. **Grants.** (a) The commissioner ~~may~~ must make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established. Grants under this section are limited to available appropriations. No grant may exceed $75,000.

(b) "Youth intervention program" means a nonresidential community-based program providing advocacy, education, counseling, mentoring, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future. The intent of the youth intervention program is to provide an ongoing stable funding source to community-based early intervention programs for youth. Program design may be different for the grantees depending on youth service needs of the communities being served.

(c) A grant under this section is contingent upon the agency obtaining local matching money equal to the amount of the grant from the community in which the youth intervention program is established. The matching requirement is intended to leverage the investment of state and community money in supporting the efforts of the grantees to provide early intervention services to youth and their families.

Subd. 2. **Applications.** Applications for a ~~grant-in-aid shall~~ grant must be ~~made~~ submitted by the administering agency to the commissioner. The commissioner must provide the application form, procedures for submitting application forms, criteria for review of the application, and a description of the kinds of contributions in addition to cash that qualify as local matching money.

~~The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money equal to the amount of the grant that is sought. The matching requirement is intended to leverage the investment of state and community dollars in supporting the efforts of the grantees to provide early intervention services to youth and their families.~~

~~The commissioner shall provide the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency may exceed $75,000.~~

Subd. 3. ~~**Grant allocation formula**~~ **Youth Intervention Programs Association grant.** Up to ~~five~~ six percent of the ~~appropriations to the grants-in-aid to the youth intervention program may~~ appropriation for grants under this section must be used for a grant to the Minnesota Youth Intervention Programs Association for ~~expenses in~~ providing collaboration, program development, professional development training, technical assistance, and tracking, ~~and~~ analyzing, and reporting outcome data for the community-based grantees of the program. The Minnesota Youth Intervention

Programs Association is not required to meet the ~~match obligation~~ matching requirement under subdivision ~~2~~ 1, paragraph (c).

Subd. 4. **Report.** On or before March 31 of each year, the Minnesota Youth Intervention Programs Association shall report to the chairs and ranking minority members of the committees and divisions with jurisdiction over ~~public safety policy and finance~~ children and youth on the implementation, use, and administration of the grant program ~~created~~ under this section. The report shall include information sent by agencies administering youth intervention programs to the Minnesota Youth Intervention Programs Association ~~and the Office of Justice Programs~~. At a minimum, the report must identify:

(1) the grant recipients;

(2) the geographic location of the grant recipients;

(3) the total number of individuals served by all grant recipients, disaggregated by race, ethnicity, and gender;

(4) the total number of individuals served by all grant recipients who successfully completed programming, disaggregated by age, race, ethnicity, and gender;

(5) the total amount of money awarded in grants and the total amount remaining to be awarded from each appropriation;

(6) the amount of money granted to each recipient;

(7) ~~grantee~~ grant recipient workplan objectives;

(8) how the grant was used based on ~~grantee~~ grant recipient quarterly narrative reports and financial reports; and

(9) summarized relevant youth intervention program outcome survey data measuring the developmental assets of participants, based on Search Institute's Developmental Assets Framework.

~~Subd. 5. **Administrative costs.** The commissioner may use up to ten percent of the biennial appropriation for grants-in-aid to the youth intervention program to pay costs incurred by the department in administering the youth intervention program.~~

Sec. 2. Minnesota Statutes 2024, section 142B.10, subdivision 18, is amended to read:

Subd. 18. **Adoption agency; additional requirements.** In addition to the other requirements of this section, an individual or organization applying for a license to place children for adoption must:

(1) incorporate as a nonprofit corporation under chapter 317A or a nonprofit limited liability company under chapter 322C;

(2) file with the application for licensure a copy of the disclosure form required under section 259.37, subdivision 2;

(3) provide evidence that a bond has been obtained and will be continuously maintained throughout the entire operating period of the agency, to cover the cost of transfer of records to and storage of records by the agency which has agreed, according to rule established by the commissioner, to receive the applicant agency's records if the applicant agency voluntarily or involuntarily ceases operation and fails to provide for proper transfer of the records. The bond must be made in favor of the agency which has agreed to receive the records; and

(4) submit a financial review completed by an accountant to the commissioner each year the license is renewed as required under section 142B.05, subdivision 1.

Sec. 3. Minnesota Statutes 2024, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, including a child care background study subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed child care center, certified license-exempt child care center, or legal nonlicensed child care provider, on a schedule determined by the commissioner. Except as provided in section 245C.05, subdivision 5a, a child care background study must include submission of fingerprints for a national criminal history record check and a review of the information under section 245C.08. A background study for a child care program must be repeated within five years from the most recent study conducted under this paragraph.

(c) ~~At reauthorization or~~ When a new background study is needed under section 142E.16, subdivision 2, for a legal nonlicensed child care provider authorized under chapter 142E:

(1) for a background study affiliated with a legal nonlicensed child care provider, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed under section 245C.05, subdivision 5; and

(2) the commissioner shall verify the information received under clause (1) and submit the request in NETStudy 2.0 to complete the background study.

(d) At reapplication for a family child care license:

(1) for a background study affiliated with a licensed family child care center, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed under section 245C.05, subdivision 5;

(2) the county agency shall verify the information received under clause (1) and forward the information to the commissioner and submit the request in NETStudy 2.0 to complete the background study; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08.

(e) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services and the following conditions are met:

(1) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;

(2) the individual has been continuously affiliated with the license holder since the last study was conducted; and

(3) the last study of the individual was conducted on or after October 1, 1995.

(f) The commissioner of human services shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with a child foster family setting license holder:

(1) the county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, when the child foster family setting applicant or license holder resides in the home where child foster care services are provided; and

(2) the background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

(g) The commissioner shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with an adult foster care or family adult day services and with a family child care license holder or a legal nonlicensed child care provider authorized under chapter 142E and:

(1) except as provided in section 245C.05, subdivision 5a, the county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted by the commissioner for all family adult day services, for adult foster care when the adult foster care license holder resides in the adult foster care residence, and for family child care and legal nonlicensed child care authorized under chapter 142E;

(2) the license holder shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for adult foster care when the license holder does not reside in the adult foster care residence; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

(h) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study requests to the commissioner using the electronic system known as NETStudy before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

(i) For an individual who is not on the entity's active roster, the entity must initiate a new background study through NETStudy when:

(1) an individual returns to a position requiring a background study following an absence of 120 or more consecutive days; or

(2) a program that discontinued providing licensed direct contact services for 120 or more consecutive days begins to provide direct contact licensed services again.

The license holder shall maintain a copy of the notification provided to the commissioner under this paragraph in the program's files. If the individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(j) For purposes of this section, a physician licensed under chapter 147, advanced practice registered nurse licensed under chapter 148, or physician assistant licensed under chapter 147A is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's, advanced practice registered nurse's, or physician assistant's background study results.

(k) For purposes of family child care, a substitute caregiver must receive repeat background studies at the time of each license renewal.

(l) A repeat background study at the time of license renewal is not required if the family child care substitute caregiver's background study was completed by the commissioner on or after October 1, 2017, and the substitute caregiver is on the license holder's active roster in NETStudy 2.0.

(m) Before and after school programs authorized under chapter 142E, are exempt from the background study requirements under section 123B.03, for an employee for whom a background study under this chapter has been completed.

Sec. 4. Minnesota Statutes 2024, section 259.83, subdivision 1, is amended to read:

Subdivision 1. **Services provided.** (a) Agencies ~~shall~~ must provide assistance and counseling services upon receiving a request for current information from adoptive parents, birth parents, adopted persons aged 18 years of age and older, or adult siblings of adopted persons. The agency ~~shall~~ must contact the other adult persons or the adoptive parents of a minor child in a personal and confidential manner to determine whether there is a desire to receive or share information or to have contact. If there is such a desire, the agency ~~shall~~ must provide the services requested. The agency ~~shall~~ must complete the search request within six months of the request being made. If the agency is unable to complete the search request within the specified time frame, the agency ~~shall~~ must inform the requester of the status of the request and include a reasonable estimate of when the request can be completed.

(b) Upon a request for assistance or services from an adoptive parent of a minor child, birth parent, or an adopted person 18 years of age or older, the agency must inform the person:

(1) about the right of an adopted person to request and obtain a copy of the adopted person's original birth record at the age and circumstances specified in section ~~144.2253~~ 144.2252; and

(2) about the right of the birth parent named on the adopted person's original birth record to file a contact preference form with the state registrar pursuant to section 144.2253.

When making or supervising an adoptive placement, the agency must provide in writing to the birth parents listed on the original birth record the information required under this paragraph and section 259.37, subdivision 2, clause (7).

Sec. 5. Minnesota Statutes 2024, section 260.67, subdivision 1, is amended to read:

Subdivision 1. **Preference for permanency placement with a relative.** Consistent with section 260C.513, if an African American or disproportionately represented child cannot be returned to the child's parent, permanency placement with a relative is preferred. The court ~~shall~~ must consider the requirements of and responsibilities under section 260.012, paragraph (a), and, if possible and if requirements under section 260C.515, subdivision 4, are met, transfer permanent legal and physical custody of the child to:

(1) a noncustodial parent under section 260C.515, subdivision 4, if the child cannot return to the care of the parent or custodian from whom the child was removed or who had legal custody at the time that the child was placed in foster care; or

(2) a willing and able relative, according to the requirements of section 260C.515, subdivision 4. When the responsible social services agency is the petitioner, prior to the court ordering a transfer of permanent legal and physical custody to a relative, the responsible social services agency must inform the relative of Northstar kinship assistance benefits and eligibility requirements and of the relative's ability to apply for benefits on behalf of the child under ~~chapter 256N~~ sections 142A.60 to 142A.612.

Sec. 6. Minnesota Statutes 2024, section 260C.190, subdivision 1, is amended to read:

Subdivision 1. **Placement.** (a) An agency with legal responsibility for a child under section 260C.178, subdivision 1, paragraph (c), or legal custody of a child under section 260C.201, subdivision 1, paragraph (a), clause ~~(3)~~ (2), may colocate a child with a parent who is receiving services in a licensed residential family-based substance use disorder treatment program for up to 12 months.

(b) During the child's placement under paragraph (a), the agency: (1) may visit the child as the agency deems necessary and appropriate; (2) ~~shall~~ must continue to have access to information under section 260C.208; and (3) ~~shall~~ must continue to provide appropriate services to both the parent and the child.

(c) The agency may terminate the child's placement under paragraph (a) to protect the child's health, safety, or welfare and may remove the child to foster care without a prior court order or authorization.

Sec. 7. Minnesota Statutes 2024, section 260C.212, subdivision 4a, is amended to read:

Subd. 4a. **Monthly caseworker visits.** (a) Every child in foster care or on a trial home visit ~~shall~~ must be visited by the child's caseworker or another person who has responsibility for visitation of the child on a monthly basis, with the majority of visits occurring in the child's residence. The responsible social services agency may designate another person responsible for monthly case visits. For the purposes of this section, the following definitions apply:

(1) "visit" is defined as a face-to-face contact between a child and the child's caseworker. For a youth 18 years of age or older, a visit may be conducted via video conference with the youth's informed consent;

(2) "visited on a monthly basis" is defined as at least one visit per calendar month;

(3) "the child's caseworker" is defined as the person who has responsibility for managing the child's foster care placement case as assigned by the responsible social services agency;

(4) "another person" means the professional staff whom the responsible social services agency has assigned in the out-of-home placement plan or case plan. Another person must be professionally trained to assess the child's safety, permanency, well-being, and case progress. The agency may not designate the guardian ad litem, the child foster care provider, residential facility staff, or a qualified individual as defined in section 260C.007, subdivision26b, as another person; and

(5) "the child's residence" is defined as the home where the child is residing, and can include the foster home, child care institution, or the home from which the child was removed if the child is on a trial home visit.

(b) Caseworker visits ~~shall~~ must be of sufficient substance and duration to address issues pertinent to case planning and service delivery to ensure the safety, permanency, and well-being of the child, including whether the child is enrolled and attending school as required by law.

(c) Every effort ~~shall~~ must be made by the responsible social services agency and professional staff to have the monthly visit with the child outside the presence of the child's parents, foster parents, or facility staff. There may be situations related to the child's needs when a caseworker visit cannot occur with the child alone. The reason the caseworker visit occurred in the presence of others must be documented in the case record and may include:

(1) that the child exhibits intense emotion or behavior indicating that visiting without the presence of the parent, foster parent, or facility staff would be traumatic for the child;

(2) that despite a caseworker's efforts, the child declines to visit with the caseworker outside the presence of the parent, foster parent, or facility staff; and

(3) that the child has a specific developmental delay, physical limitation, incapacity, medical device, or significant medical need, such that the parent, foster parent, or facility staff is required to be present with the child during the visit.

Sec. 8. Minnesota Statutes 2024, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include but is not limited to the director of the local welfare agency or

designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex or labor trafficking or sexual exploitation or whose family members have been identified as missing and murdered Indigenous relatives, or other appropriate human services, children's services, or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, Tribal social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with battered women's and domestic abuse programs and services.

Sec. 9. Minnesota Statutes 2024, section 260E.02, subdivision 2, is amended to read:

Subd. 2. **Duties of team.** A multidisciplinary child protection team may provide public and professional education, develop resources for prevention, intervention, and treatment, and provide case consultation to the local welfare agency or other interested community-based agencies. The community-based agencies may request case consultation from the multidisciplinary child protection team regarding a child or family for whom the community-based agency is providing services. As used in this section, "case consultation" means a case review process in which recommendations are made concerning services to be provided to the identified children and family. Case consultation may be performed by a committee or subcommittee of members representing human services or children's services, including mental health and substance use disorder providers; law enforcement, including probation and parole; Tribal law enforcement; the county attorney; a children's advocacy center; health care; education; community-based agencies and other necessary agencies; and persons directly involved in an individual case as designated by other members performing case consultation.

Sec. 10. Minnesota Statutes 2024, section 260E.02, is amended by adding a subdivision to read:

Subd. 3a. **Missing and murdered Indigenous relatives.** A multidisciplinary child protection team may assist the local welfare agency, the local law enforcement agency, or an appropriate private organization in developing a responsive program for youth who are at risk of going missing or being murdered, or whose family member has been identified as a missing and murdered Indigenous relative. At least one representative of a nonprofit agency serving youth who are at risk of going missing or being murdered, or an agency serving families with missing and murdered Indigenous relatives, must be appointed to and serve on the multidisciplinary child protection team in addition to the standing members of the team.

Sec. 11. Laws 2025, First Special Session chapter 3, article 22, section 20, subdivision 2, is amended to read:

Subd. 2. **Youth Intervention Programs Association Grant**	
Notwithstanding the percentage requirement under Minnesota Statutes, section 142A.43, subdivision 3, $355,000 in fiscal year 2026 ~~and $355,000 in fiscal year 2027 are~~ is for a grant to the Minnesota Youth Intervention	

Programs Association for collaboration, program development, professional development training, technical assistance, tracking, and analyzing and reporting outcome data for the community-based grantees of the program.

ARTICLE 8

MNSURE POLICY

Section 1. Minnesota Statutes 2024, section 62V.05, subdivision 7, is amended to read:

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(2) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of MNsure certification requirements for health plans and dental plans offered through MNsure. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(3) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating MNsure, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of MNsure.

(c) The board shall consult with Indian tribes and organizations regarding the operation of MNsure.

~~(d) Beginning March 15, 2016, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Department of Information Technology Services, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.~~

Sec. 2. Minnesota Statutes 2024, section 62V.13, is amended to read:

62V.13 EASY ENROLLMENT HEALTH INSURANCE OUTREACH PROGRAM.

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

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

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

(3) allow MNsure to ~~estimate taxpayer potential eligibility for financial assistance for health insurance coverage~~ provide general information regarding potential eligibility for health insurance programs and financial assistance available through MNsure; and

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

Subd. 2. **Screening for eligibility for insurance assistance.** Upon receipt of ~~and based on~~ return information received from the commissioner of revenue under section 270B.14, subdivision 22, MNsure may ~~make a projected assessment on whether the interested taxpayer's household may qualify for a financial assistance program for health insurance coverage~~ review the information to identify households that may benefit from health coverage through MNsure and provide general information on available coverage and financial assistance programs.

Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a written letter ~~of the projected assessment under subdivision 2~~ with general information about health insurance coverage and financial assistance available through MNsure to a taxpayer who indicates to the commissioner of revenue that the taxpayer is interested in obtaining information on access to health insurance.

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

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

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

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

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

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

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 142G.18, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense during the previous ten years from the date of application or recertification ~~is subject to the following:~~ may, if otherwise eligible, receive MFIP benefits.

~~(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.~~

~~(2) The convicted applicant or participant may be subject to random drug testing. Following any positive test for an illegal controlled substance, the county must provide information about substance use disorder treatment programs to the applicant or participant.~~

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a felony-level drug offense during the previous ten years from the date of application or recertification may, if otherwise eligible, receive SNAP benefits. ~~The convicted applicant or participant may be subject to random drug testing. Following a positive test for an illegal controlled substance, the county must provide information about substance use disorder treatment programs to the applicant or participant.~~

(c) For the purposes of this subdivision, "drug offense" means a conviction that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the conviction occurred during the previous ten years from the date of application or recertification and the conviction is for a crime that would be a felony if committed in Minnesota.

~~(d) This subdivision does not apply for convictions or positive test results related to cannabis, marijuana, or tetrahydrocannabinols.~~

Sec. 2. Minnesota Statutes 2024, section 144E.123, subdivision 1, is amended to read:

Subdivision 1. **Collection and maintenance.** A licensee shall collect and provide prehospital care data to the director in a manner prescribed by the director. At a minimum, the data must include the prehospital care data listed in subdivision 6, paragraph (b), and items identified by the director that are part of the National Uniform Emergency Medical Services Data Set. A licensee shall maintain prehospital care data for every response.

Sec. 3. Minnesota Statutes 2024, section 144E.123, is amended by adding a subdivision to read:

Subd. 6. **Reporting to Office of Emergency Medical Services.** (a) For purposes of this subdivision, "municipality" means a town or a statutory or home rule charter city.

(b) A licensee must annually collect the following prehospital care data for all emergency responses provided by the licensee within the boundaries of each municipality in the licensee's primary service area:

(1) total number of emergency ambulance calls;

(2) for each emergency ambulance call:

(i) dispatch reason;

(ii) type of emergency service requested;

(iii) response mode to scene;

(iv) response mode to hospital;

(v) transport destination; and

(vi) patient pay fee schedule;

(3) percent transport disposition; and

(4) mutual aid given and received, disaggregated by municipality.

(c) A licensee must report the prehospital care data collected under paragraph (b) for the previous calendar year to the director.

(d) The director must make prehospital care data collected under paragraph (b) publicly available annually.

Sec. 4. Minnesota Statutes 2024, section 151.01, subdivision 35, is amended to read:

Subd. 35. **Compounding.** "Compounding" means preparing, mixing, assembling, packaging, and labeling a drug for an identified individual patient as a result of a practitioner's prescription drug order. Compounding also includes anticipatory compounding, as defined in this section, and the preparation of drugs in which all bulk drug substances and components are nonprescription substances. Compounding does not include mixing or reconstituting a drug according to the product's labeling or to the manufacturer's directions, provided that such labeling has been approved by the United States Food and Drug Administration (FDA) or the manufacturer is licensed under section 151.252. Compounding does not include the preparation of a drug for the purpose of, or incident to, research, teaching, or chemical analysis, provided that the drug is not prepared for dispensing or administration to patients. All compounding, regardless of the type of product, must be done pursuant to a prescription drug order unless otherwise permitted in this chapter or by the rules of the board. Compounding does not include a minor deviation from such directions with regard to radioactivity, volume, or stability, which is made by or under the supervision of a licensed nuclear pharmacist or a physician, and which is necessary in order to accommodate circumstances not contemplated in the manufacturer's instructions, such as the rate of radioactive decay or geographical distance from the patient. Compounding does not include the use of a flavoring agent to flavor a drug.

Sec. 5. Minnesota Statutes 2024, section 151.01, is amended by adding a subdivision to read:

Subd. 44. **Flavoring agent.** "Flavoring agent" means a therapeutically inert, nonallergenic substance consisting of inactive ingredients that is added to a drug to improve the drug's taste and palatability.

Sec. 6. Minnesota Statutes 2024, section 151.555, subdivision 7, is amended to read:

Subd. 7. **Standards and procedures for inspecting and storing donated drugs and supplies.** (a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated drugs and supplies before the drug or supply is dispensed to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, has not been subject to a recall, and meets the requirements for donation. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory.

(c) The central repository and local repositories shall dispose of all drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of accepted donated drugs and supplies that are not dispensed under subdivision 8~~, are subject to a recall under paragraph (e), or are not suitable for donation~~ or are subject to a recall under paragraph (e) shall be maintained by the repository for at least two years. ~~For each drug or supply destroyed,~~ The record shall include the following information:

(1) the date of destruction;

(2) the name, strength, and quantity of the drug destroyed; and

(3) the name of the person or firm that destroyed the drug.

No other record of destruction is required.

Sec. 7. Laws 2025, First Special Session chapter 3, article 23, section 2, subdivision 12, is amended to read:

Subd. 12. **Board of Pharmacy**

	Appropriations by Fund	
General	937,000	937,000
State Government Special Revenue	6,280,000	6,280,000

Medication Repository Program. $450,000 in fiscal year 2026 and $450,000 in fiscal year 2027 are from the general fund for the medication repository program ~~to purchase prescription drugs~~ under Minnesota Statutes, section 151.555~~, subdivision 6, paragraph (g)~~.

Sec. 8. **REPEALER.**

Minnesota Statutes 2024, sections 62U.10, subdivision 4; 256B.69, subdivision 31a; and 256D.024, subdivision 1, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to health-related occupations, the Department of Health, human services health care, behavioral health, the Department of Human Services Office of the Inspector General, the medication repository program, drugs, the health care provider wellness program, emergency medical services, and children, youth, and families; requiring a report; amending Minnesota Statutes 2024, sections 62D.02, subdivision 7, by adding a subdivision; 62D.08, subdivisions 5, 6; 62D.09, subdivisions 1, 5; 62D.124, subdivision 6; 62J.17, subdivision 6a; 62J.2930, subdivision 1; 62J.497, subdivision 5; 62J.536, subdivision 2a; 62K.02, subdivision 2; 62K.03, subdivision 6; 62K.075; 62K.105; 62K.14; 62M.07, subdivision 2; 62Q.46, subdivision 1; 62V.05, subdivision 7; 62V.13; 142A.43; 142B.10, subdivision 18; 142G.18, subdivision 1; 144.059, subdivision 8; 144.293, subdivision 7; 144.551, subdivision 1; 144E.123, subdivision 1, by adding a subdivision; 145.56, subdivision 5; 145.561, subdivision 2; 145.882, by adding subdivisions; 145A.04, subdivision 15; 148.01, subdivisions 1, 4, by adding subdivisions; 148.09; 148.10, by adding a subdivision; 148.102, subdivision 3; 148.105, subdivision 1; 148.517, subdivisions 1, 2; 148.5191, subdivision 4; 151.01, subdivision 35, by adding a subdivision; 151.065, subdivisions 4a, 4b, by adding subdivisions; 151.14; 151.19, subdivision 1; 151.555, subdivision 7; 214.41; 245.991, subdivision 3; 245.992, subdivisions 1, 2; 245C.02, subdivision 18; 245C.03, subdivision 1; 245C.04, subdivision 1; 245C.15, subdivisions 2, 3, 4; 245C.24, subdivision 2; 245D.04, subdivision 3, by adding a subdivision; 245D.10, subdivision 4; 245I.04, by adding a subdivision; 245I.08, subdivision 4; 256B.057, subdivision 9; 256B.0624, subdivisions 6b, 7; 256B.0625, subdivisions 4, 47; 256B.0943, subdivision 6; 256B.0946, subdivision 4; 256B.0947, subdivision 5; 256D.05, subdivision 1; 256D.06, subdivision 2; 256D.54, subdivision 1; 256I.04, subdivision 2b; 256K.46, subdivision 5; 256L.05, subdivision 3; 256L.06, subdivision 3; 259.83,

subdivision 1; 260.67, subdivision 1; 260C.190, subdivision 1; 260C.212, subdivision 4a; 260E.02, subdivisions 1, 2, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 3.732, subdivision 1; 62J.84, subdivisions 2, 3, 10, 11, 12, 13, 14; 62K.10, subdivision 2; 148.108, subdivision 5; 245.469, subdivision 1; 245.4889, subdivision 1; 245A.10, subdivision 4; 245A.142, subdivision 3; 245A.242, subdivision 2; 245C.07; 245C.13, subdivision 2; 245C.15, subdivision 4a; 245C.22, subdivision 5; 245I.04, subdivision 17; 245I.23, subdivision 7; 254B.04, subdivision 1a; 256B.0625, subdivision 5m; 256B.0943, subdivisions 1, 9; 256B.0947, subdivision 3a; 256B.695, subdivision 5; 256L.03, subdivision 5; 260E.03, subdivision 6; 260E.11, subdivision 1; 260E.14, subdivision 1; 626.5572, subdivision 13; Laws 2024, chapter 125, article 4, section 12, subdivision 5; Laws 2025, First Special Session chapter 3, article 22, section 20, subdivision 2; article 23, section 2, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 148; 151; 245; repealing Minnesota Statutes 2024, sections 13D.08, subdivision 4; 62D.08, subdivision 7; 62D.181; 62J.06; 62J.156; 62J.2930, subdivision 4; 62J.57; 62U.10, subdivision 4; 144.9821; 151.13; 256B.69, subdivision 31a; 256D.024, subdivision 1; 256D.09, subdivisions 2a, 2b; 256K.45, subdivision 2; Minnesota Rules, parts 2500.0100, subparts 5b, 6, 12; 2500.1900; 2500.2020; 2500.2040; 2500.2100; 2500.2110; 6800.0400; 6800.1150."

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

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

S.F. No. 4520: A bill for an act relating to children; allowing nonprofit limited liability companies to apply for a license to be a child-placing agency; modifying the timing for a child care background study; modifying provisions on foster care, child placement, and child maltreatment; amending Minnesota Statutes 2024, sections 142B.10, subdivision 18; 245C.04, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 1; 260C.190, subdivision 1; 260C.212, subdivision 4a; Minnesota Statutes 2025 Supplement, section 142B.01, subdivision 15.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 4589: A bill for an act relating to public safety; regulating visitor carrying of firearms on campuses of public postsecondary institutions; amending Minnesota Statutes 2024, section 624.714, subdivision 18.

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

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

S.F. No. 3943: A bill for an act relating to higher education; modifying student aid reporting requirements; requiring additional accommodations for parenting students; modifying American Indian Scholars program eligibility; requiring reports; amending Minnesota Statutes 2024, sections 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; Minnesota Statutes 2025 Supplement, section 135A.1582, subdivisions 1, 2, 3; repealing Minnesota Statutes 2024, section 124D.09, subdivision 10a.

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 2024, section 43A.187, is amended to read:

43A.187 BLOOD DONATION LEAVE.

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this section may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days' notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. ~~For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.~~

Sec. 2. Minnesota Statutes 2024, section 135A.012, is amended to read:

135A.012 ~~HIGHER EDUCATION~~ EDUCATIONAL ATTAINMENT GOAL.

Subdivision 1. **Purpose.** This section sets a goal for postsecondary education and workforce training credential attainment for Minnesota residents.

Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages ~~25 to 44~~ 24 to 55 years who hold postsecondary ~~or industry-recognized~~ credentials should be increased to at least ~~70~~ 75 percent by ~~2025~~ the end of the 2040 calendar year, with subgoals for critical educational benchmarks in early childhood and kindergarten through grade 12 education to be established under subdivision 6.

Subd. 3. **Rights not created.** The attainment goal in this section is not to the exclusion of any other goals and does not confer a right or create a claim for any person.

Subd. 4. **Data development and analyses.** The Office of Higher Education shall work with the state demographer's office to measure progress towards the attainment of the goal specified in subdivision 2. The United States Census Bureau data shall be used to calculate the number of individuals in the state who hold a postsecondary degree. The Office of Higher Education~~,~~ and the state demographer's office~~, the Department of Employment and Economic Development, and the~~

~~Department of Labor and Industry~~ shall develop a methodology to estimate the number of individuals that hold a credential awarded by a postsecondary institution or, when possible, recognized by an industry authority as their highest credential using data available at the time that the analysis is completed.

Subd. 5. **Reporting.** (a) Beginning in 2016 and every year thereafter, the Office of Higher Education, in collaboration with the state demographer's office, the Department of Children, Youth, and Families, and the Department of Education, shall, by October 15, report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance on the progress towards meeting or exceeding the goal and subgoals of this section.

(b) Meeting and maintaining the goal of ~~70~~ 75 percent of Minnesota residents ages ~~25 to 44~~ 24 to 55 years holding a postsecondary or, when possible, industry-recognized credential will likely be difficult without achieving attainment rates that are comparable across all race and ethnicity groups and regions of the state, using existing statewide economic development regions, and by gender. The Office of Higher Education shall utilize benchmarks of ~~30~~ 50 percent ~~or higher~~ and ~~50~~ 75 percent ~~or higher~~ to report progress by ~~race and ethnicity groups~~ these subpopulations toward meeting the educational attainment rate goal of ~~70~~ 75 percent. The Office of Higher Education will additionally report on interim progress of these subpopulations toward the 75 percent goal in 2031 and 2036.

Subd. 6. **Implementation and coordination.** The Office of Higher Education, in collaboration with the Minnesota P-20 Education Partnership, shall jointly implement, monitor, assess, and report on progress toward meeting the attainment goal established under subdivision 2. Activities under this subdivision include but are not limited to:

(1) ongoing consultation with relevant stakeholders;

(2) development of a strategic plan that identifies key metrics and initiatives that ensure all Minnesotans have the academic preparation and access necessary to ultimately attain a postsecondary or, when possible, industry-recognized credential;

(3) collaborating with other state agencies and additional key stakeholders to ensure alignment with other statewide goals and priorities; and

(4) identifying subgoals for critical benchmarks in early childhood and kindergarten through grade 12 education that assist in reaching the attainment goal.

Sec. 3. Minnesota Statutes 2024, 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~~ student eligible for a resident ~~for resident tuition purposes~~ tuition rate, or its equivalent, 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;

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 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. 4. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 1, is amended to read:

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

(c) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

~~(c)~~ (d) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.

~~(d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.~~

(e) "Priority registration" means an opportunity to register for courses before the opening of general registration for the majority of undergraduate students.

Sec. 5. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 2, is amended to read:

Subd. 2. **Rights and protections.** (a) A postsecondary institution 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 postsecondary institution 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 postsecondary institution 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 postsecondary institution 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 postsecondary institution provides early registration for courses or programs at the institution for any group of students, the institution 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. Priority registration for parenting students shall include the following considerations:

(1) automatically assign eligible pregnant and parenting students a registration window time that occurs no later than the earliest undergraduate registration period offered;

(2) ensure that priority registration is granted without a separate petition, discretionary approval, or case-by-case determination beyond verification of parenting status;

(3) annual notification provided to all enrolled students describing the rights and protections afforded to pregnant and parenting students;

(4) provide notification of the priority registration process to each student who self-identifies as a pregnant or parenting student; and

(5) publish information regarding programs, services, and student rights specific to parenting students on the public postsecondary institution's public website.

(f) The Board of Trustees of the Minnesota State Colleges and Universities shall adopt policies and procedures to implement this subdivision. The Board of Regents of the University of Minnesota is requested to comply with this subdivision.

Sec. 6. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 3, is amended to read:

Subd. 3. **Policy on discrimination.** Each postsecondary institution 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~~ postsecondary institution's website; and

(3) be made available annually to faculty, staff, and employees of the ~~college or university~~ postsecondary institution.

Sec. 7. Minnesota Statutes 2024, section 136A.053, is amended to read:

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.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233, 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 aid program, institution, aid year, race and ethnicity, gender, ~~income,~~ socioeconomic status, family type, ~~dependency status,~~ and any other factors determined to be relevant by the commissioner, as available. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 ~~to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233 as evidenced by activities funded under each program.

Sec. 8. Minnesota Statutes 2024, section 136A.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

(1) be a resident ~~of Minnesota~~ student under section 136A.101, subdivision 8;

(2) attend an eligible office-approved program;

(3) be in grades 3 through 12, but not have completed high school;

(4) meet income requirements for free or reduced-price school meals; and

(5) be 19 years of age or younger.

Sec. 9. Minnesota Statutes 2024, section 136A.091, subdivision 9, is amended to read:

Subd. 9. **Report.** Annually, the office shall submit a report ~~to the legislative committees with jurisdiction over higher education finance regarding the program providers, stipend recipients, and program activities. The report shall include information about the students served, the organizations providing services, program goals and outcomes, and student outcomes~~ in accordance with section 136A.053.

Sec. 10. Minnesota Statutes 2024, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the office finds that the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8;

(2) 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 technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

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

(5) 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; and

(6) 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.

(b) 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 after December 31, 2002, 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.

Sec. 11. **[136A.1212] FRAUD; DENIAL OF FUNDING.**

Applicants or recipients of any student aid or grant program administered under chapter 136A may be denied funding if the applicant or recipient:

(1) presents information concerning the financial aid or grant application that is false, fraudulent, misleading, deceptive, or inaccurate in a material respect;

(2) refuses to allow reasonable inspection or to supply reasonable information after a written request by the office or school has been received; or

(3) has been determined by the commissioner or judicially determined to have committed fraud or a material violation of law involving federal, state, or local government funding.

Sec. 12. Minnesota Statutes 2024, section 136A.1215, subdivision 5, is amended to read:

Subd. 5. **Reporting.** ~~By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information, broken out by postsecondary institution:~~ Annually, the office must submit a report in accordance with section 135A.053.

~~(1) the number of students receiving an award;~~

~~(2) the average and total award amounts; and~~

~~(3) summary demographic data on award recipients.~~

Sec. 13. Minnesota Statutes 2024, section 136A.1241, subdivision 8, is amended to read:

Subd. 8. **Report.** ~~(a)~~ Annually, the office ~~shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:~~ must submit a report in accordance with section 136A.053.

~~(1) the number of students receiving foster grants and the institutions attended; and~~

~~(2) annual retention and graduation data on students receiving foster grants.~~

~~(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.~~

Sec. 14. Minnesota Statutes 2024, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8, or the applicant's spouse is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not received child care grant funds for a period of ten semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;

(6) is enrolled in at least one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, 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.

Sec. 15. Minnesota Statutes 2024, section 136A.1274, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(1) the number of eligible applicants and the number of teacher candidates receiving an award, each broken down by postsecondary institution;~~

~~(2) the total number of awards, the total dollar amount of all awards, and the average award amount; and~~

~~(3) other summary data identified by the commissioner as outcome indicators.~~

Sec. 16. Minnesota Statutes 2024, section 136A.1275, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~(a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:~~ Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must include

~~(1) the total number of awards, the total dollar amount of all awards, and the average award amount;~~

~~(2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;~~

~~(3)~~ the licensure areas and school districts in which the student teachers taught~~;~~ and must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.

~~(4) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural school district after graduation.~~

~~(b) By July 1 of each odd numbered year, the commissioner must update and post on the office's website a list of licensure shortage areas eligible for a grant under this section.~~

Sec. 17. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

Subd. 10. **Report.** ~~The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:~~ Annually, the office must submit a report in accordance with section 136A.053.

~~(1) status of the scholarship fund; and~~

~~(2) North Star Promise participation data aggregated for each eligible institution to show the:~~

~~(i) number of eligible students who received scholarships in the prior academic year;~~

~~(ii) average and total award amounts;~~

~~(iii) summary demographic data on award recipients;~~

~~(iv) total number of students enrolled in eligible institutions in the prior academic year;~~

~~(v) retention rates of participating students; and~~

~~(vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.~~

Sec. 18. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) ~~In selecting students for participation, priority must be given to students enrolled for at least 12 credits.~~ In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) ~~Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.~~

~~(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.~~

~~(h)~~ An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 19. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is amended to read:

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

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training or leads to an accredited certificate, diploma, or degree issued by a postsecondary institution; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

(2) licensed or registered as a postsecondary institution by the office; or

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) accredited certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 20. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision to read:

Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

Sec. 21. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1, paragraph (a);

(5) all current promotional and recruitment materials and advertisements; ~~and~~

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

(iv) a description of all school facilities;

(v) a description of all current course offerings;

(vi) all requirements for satisfactory completion of courses, programs, and degrees;

(vii) the school's policy about freedom or limitation of expression and inquiry;

(viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(ix) the school's policy about refunds and adjustments;

(x) the school's policy about granting credit for prior education, training, and experience;

(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1, paragraph (b).

Sec. 22. Minnesota Statutes 2024, 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 registration;

(2) refuse approval of a school's degree; and

(3) 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;

(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) 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. 23. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~ exemption by registering under section 136A.63. Upon registration, the Tribal college is subject to all applicable requirements of sections 136A.61 to 136A.71.

Sec. 24. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

Subd. 3a. **Tuition-free educational courses.** A ~~school~~ course or program, including a ~~school~~ course or program using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following: "IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Sec. 25. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.705 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~: (1)~~ the office substantially prevails on the merits in an action brought under this section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 26. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an institution may not be financially or administratively responsible, the office shall ~~develop~~ use financial and nonfinancial indicators. The ~~development of~~ financial and nonfinancial indicators shall use industry standards as guidance.

(b) Annually, the office must provide a copy of the financial and nonfinancial indicators to each registered institution and post a list of reviewed indicators on the office website.

(c) The office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible.

(d) The office must use the indicators in this subdivision to identify institutions at potential risk of being unable to meet the standards established under sections 136A.646; 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3), and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its academic terms for the next 18 months.

Sec. 27. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 28. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) to (d) for new registrations.

(b) A new school must pay registration fees based on the institution's total full-time equivalent enrollment in the following amounts:

(1) $5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

(4) $15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) $20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

(c) A new school must pay registration fees in an amount equal to the fee under paragraph (b), plus fees for each nondegree program or degree as follows:

nondegree program	$250
degree program	$750

(d) ~~In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

~~(e)~~ The annual renewal registration fee is based on an institution's total full-time equivalent enrollment in the following amounts:

(1) $1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) $7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

~~(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 29. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate ~~vocational~~ programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing ~~vocational~~ programs by establishing policies and procedures to ensure the authenticity and legitimacy of ~~vocational~~ programs offered by nonprofit and for-profit private career schools. The legislature has found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any ~~vocational~~ program which does not require leaving the state for its completion.

Sec. 30. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Except for those required to obtain a license exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a~~; 136A.657;~~, or 136A.658 due to the nature of the institution's programs;

(4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or mentally disabled persons;

(5) persons, programs, or 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 in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) persons, programs, or courses contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training~~, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant~~;

(7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs~~, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant~~;

(9) ~~review classes, courses, or~~ persons, programs, or courses intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) ~~classes, courses, or~~ persons, programs, or courses 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 (l), that the organization is recognized in Minnesota;

(11) persons, programs ~~in the fine arts provided by organizations~~, or courses that are exempt from taxation under section 290.05 and registered with the attorney general under chapter 309~~. For 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~~; or

(12) ~~classes, courses, or~~ persons, programs, or courses 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.

Sec. 31. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career school's ~~compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers~~ administration of federal money conducted by a certified public accountant or federal auditor to determine if the school is adhering to applicable laws, regulations, and other grant conditions as required by Code of Federal Regulations, title 2, subtitle A, chapter II, part 200.

Sec. 32. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

Subd. 16. **~~Audited~~ Financial statements audit report.** "~~Audited~~ Financial statements audit report" means the ~~financial statements of an entity or higher-level entity that have been examined by a certified public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~ result of a service provided by a certified public accountant or federal auditor that conducts a comprehensive and independent examination of the entity's financial statements as defined in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial statements audit report is subsequently consolidated into a higher-level entity's financial statements audit report, financial statements audit report can refer to both the entity's own report and the higher-level entity's consolidated report in accordance with Code of Federal Regulations, section 668.23(d)(2).

Sec. 33. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

Subd. 17. **~~Review-level engagement~~ Compilation report.** ~~"Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements~~ "Compilation report" means the result of an accounting service provided by a certified public accountant to organize financial information provided by a client into professionally formatted financial statements. A compilation report provides no assurances about the financial statements, unlike those provided in a financial statements audit report.

Sec. 34. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is amended to read:

Subd. 21. **~~Vocational~~ Institution or school.** ~~"Vocational" means education or training for skills used in the labor market~~ "Institution" or "school" means a private career school or distance education private career school, as defined in this section.

Sec. 35. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

(1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;

(2) the specific programs which will be offered ~~and the specific purposes of the instruction~~;

(3) the place or places where the instruction will be given;

(4) a listing of the equipment available for instruction in each program;

(5) the maximum enrollment to be accommodated with equipment available in each specified program;

(6) the qualifications of instructors and supervisors in each specified program;

(7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year~~:~~, including a federal income tax return and, in accordance with the table below, one or more of the following: a financial statements audit report, compliance audit report, or compilation report. An applicant with financial statements that are consolidated into a higher-level entity's financial statements must include the consolidated financials of the higher-level entity with the documents listed in each row of the table except for the final row. If not stated in the financial statements audit report, compliance audit report, or compilation report, the entity must include a statement providing the total gross tuition and fee revenues associated with the programs and the total amount of institutional discounts and aid provided to students in the programs.

~~(i) annual gross revenues from all sources;~~

~~(ii) financial statements subjected to a review-level engagement or, if requested by the office, audited financial statements;~~

~~(iii) a school's most recent compliance audit, if applicable; and~~

~~(iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;~~

An entity or higher-level entity subject to fluctuating levels of total gross revenues must continue to submit the required financial documents according to the requirements under items (i) to (vi) even if the most current fiscal year's total gross revenues move the entity or higher-level entity into a different category. If an entity or higher-level entity continues to experience a change in total gross revenues for two consecutive fiscal years, the office must notify the entity that the entity will be subject to the documentation requirements under items (i) to (vi) for the next annual licensing application cycle. If, for the most recently completed fiscal year, the applicant or renewal applicant:

(i) is required by federal or other external entities to have both a financial statements audit and a compliance audit, the applicant must submit the financial statements audit report and the compliance audit report, which may be combined in one document;

(ii) is required by federal or other external entities to have a financial statements audit, but not a compliance audit, the applicant must submit the financial statements audit report;

(iii) is not required to have a financial statements audit, but elects to have one, the applicant must submit the financial statements audit report;

(iv) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $5,000,000 or more and the office requires the applicant to have a financial statements audit, the applicant must submit the financial statement audit report. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year;

(v) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of $250,000 or more but less than $5,000,000 and the office requires the applicant to have a compilation engagement, the applicant must submit the compilation report, including footnotes for a debt repayment schedule and other material items. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year; or

(vi) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of less than $250,000, the applicant must submit (A) depending on the ownership or corporate organization, the applicant's federal income tax return; and (B) if the net income flows through to the owners' personal federal tax returns, a copy of each owner's personal federal tax return. In addition to the tax return information, an applicant must provide a balance sheet dated as of the last day of the most recently ended fiscal year;

(8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school; and

(9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota~~; and~~.

~~(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges.~~

Sec. 36. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended to read:

Subd. 6. **Bond.** (a) No license shall be issued to any private career school 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) 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~~ must deposit a greater amount at ~~its own~~ the office's 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. In the case of an entity applying for an initial license where no history of revenues from student tuition, fees, or other required institutional charges, the amount of the bond must be ten percent of the total amount of tuition, fees, and other required institutional charges anticipated in the entity's first year of operation, based on a calculation of total student tuition, fees, and other required institutional charges multiplied by the maximum student enrollment in one academic year.

(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. 37. Minnesota Statutes 2025 Supplement, 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 60 days, 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, based on minimum standards for employment in the field, learning outcomes, assessment mechanisms, and clear structure of the curriculum;

(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;

(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;

(10) that 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; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual, entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:

Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including~~:~~ all required information to students under section 136A.826.

~~(1) identifying data, such as volume number and date of publication;~~

~~(2) name and address of the private career school and its governing body and officials;~~

~~(3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;~~

~~(4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;~~

~~(5) the private career school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;~~

~~(6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;~~

~~(7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;~~

~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~

~~(9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;~~

~~(10) a description of the available facilities and equipment;~~

~~(11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;~~

~~(12) the private career school policy and regulations about granting credit for previous education and preparation;~~

~~(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;~~

~~(14) a procedure for investigating and resolving student complaints;~~

~~(15) the name and address of the office; and~~

~~(16) the student complaint process and rights under section 136A.8295.~~

~~A private career school that is exclusively a distance education school is exempt from clauses (3) and (5).~~

Sec. 39. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school or a distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a ~~permanent~~ student record for each student for 50 years from the last date of the student's attendance. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for~~

~~50 years from the last date of the student's attendance~~ The private career school or distance education private career school may choose to reduce the amount of time the school maintains a student record to no less than 20 years if the entity sends the permanent student record to the office to hold for the remainder of the duration the student records are required to be maintained. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school or distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. ~~A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.~~

(c) To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

(1) ~~at least one copy of the records must be held in a secure, fireproof depository;~~

~~(2)~~ an appropriate official must be designated to provide a student with copies of records or a transcript upon request; and

~~(3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and~~

~~(4)~~ (2) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed $20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 40. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is amended to read:

Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:

(1) a private career school licensed by another state agency or board must be required to obtain a limited license to participate in state financial aid; and

(2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.

(b) A private career school seeking a limited license under this subdivision shall be required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3)~~, (7), (8), (9), and (10)~~; 5; 8, clauses (1), ~~(4), (7), (8),~~ (9), and (10); ~~9; 10; 11;~~ and 12. If requested by the office, a private career

school seeking a limited license under this subdivision must satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8, clauses (4), (7), and (8); 9; 10; and 11. If a private career school is licensed to participate in state financial aid under this chapter, the private career school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a distance education private career school licensed to recruit Minnesota residents for attendance at a distance education private career school outside of this state, or a distance education private career school licensed by another state agency as its primary licensing body, may continue to use the distance education private career school's name as permitted by its home state or its primary licensing body.

Sec. 41. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision to read:

Subd. 14. **Data privacy.** (a) Financial records submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(b) Accreditation records and reports submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(c) The office may disclose data that is classified as not public data under this subdivision for the purpose of defending the office's decision to approve or not approve a program or institution, or take any other action under sections 136A.82 to 136A.833, in connection with a legal or administrative proceeding, or pursuant to a subpoena or judicial warrant.

Sec. 42. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Application for renewal of a license must be made at least 60 days, other than the exception in paragraph (b), before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office.

(b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required to be submitted to the office as part of a renewal application, shall be submitted according to the following schedule:

(1) the financial statements audit reports, compliance audit reports, and compilation reports, by the earlier of 30 days after the issuance date of each report or nine months after the last day of the entity's or higher-level entity's fiscal year; or

(2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after the federal tax return is completed or one week following the last day of a federal filing extension period that is usually six months in length.

Sec. 43. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under

section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 44. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure application is:

(1) $3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) $1,500 for a private career school licensed by another state agency and seeking a limited license exclusively in order to participate in state financial aid; and

(3) $3,730, plus $500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

~~(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 45. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school, the license renewal fee is $3,160; and

(2) for a private career school licensed by another state agency and that also has a limited license with the office exclusively in order to participate in state financial aid, the license renewal fee is $1,500.

(b) If a license renewal application is not received by the office by the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

~~(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 46. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school or its agent must provide the catalog, brochure, or electronic display required in this section ~~136A.822, subdivision 10,~~ to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a private career school that does not use a written contract or enrollment agreement.

(b) A catalog, brochure, or electronic display must include, at a minimum:

(1) identifying data, such as volume number or date of publication;

(2) name, address, governing body, and names of senior officials;

(3) an academic calendar showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the policy and regulations on enrollment including dates and specific entrance requirements for each program;

(5) the policy and regulations regarding leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) the policy and regulations regarding standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) the policy and regulations regarding student conduct and conditions for dismissal for unsatisfactory conduct;

(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the policy and regulations, including an explanation of section 136A.827, regarding refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline or syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;

(12) the policy and regulations regarding granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned; or

(14) a procedure for investigating and resolving student complaints and the rights of the student under section 136A.8295.

Sec. 47. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

Subdivision 1. **Student.** For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student. If there is no contract, student means the party who has been accepted into the course or program.

Sec. 48. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment~~, and if this action was not the student's intent, the student must contact the school~~.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed $50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) $100.

Sec. 49. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

Subd. 6. **~~Financial aid payments~~ Transcripts.** ~~(a) All private career schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.~~

~~(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.~~

~~(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).~~

~~(d) Loans or other financial aid payments for amounts greater than $3,000 must be disbursed:~~

~~(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or~~

~~(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one-third of the way through the term, and two-thirds of the way through the term.~~

~~(e) Loans or other financial aid payments for amounts less than $3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.~~

~~(f) No private career school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).~~

~~(g)~~ No private career school may withhold an official transcript for arrears or default on any loan made by the private career school to a student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

Sec. 50. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing~~,~~ under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

(1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted by the office;

(2) furnishing to the office false, misleading, or incomplete information;

(3) presenting to prospective students information relating to the private career school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;

(5) 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;

(6) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; or

(7) using fraudulent or coercive practices, whether in the course of business in this state or elsewhere.

Sec. 51. Minnesota Statutes 2024, 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~~ the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Conditional 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 funding has 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), 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;

(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. 52. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.832 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if~~: (1)~~ the office substantially prevails on the merits in an action brought under this section~~; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of $1,000,000 or greater~~.

Sec. 53. Minnesota Statutes 2024, section 136A.83, is amended to read:

136A.83 INSPECTION.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. ~~The office may require the submission of audited financial statements.~~ The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

Sec. 54. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended to read:

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school ~~adds a new program or~~ makes a modification ~~equal to or greater than 25 percent to an existing educational program~~ that brings the school or program outside the scope of the school's or program's exemption. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration or any change that would bring the school or program outside the scope of the school's or program's exemption, the school is subject to fees and penalties under sections 136A.831 and

136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.

Sec. 55. Minnesota Statutes 2025 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) ~~private career schools engaged exclusively in the teaching of avocational programs that are engaged primarily for personal development, recreation, or remedial education, and are not generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office;~~

~~(2)~~ classes, courses, or programs providing 40 or fewer clock hours of instruction; and

~~(3)~~ (2) private career schools providing training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed $500.

Sec. 56. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses" means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f) of the Internal Revenue Code.

Sec. 57. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal Revenue Code.

Sec. 58. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision to read:

Subd. 35. **Uncashed distribution check.** "Uncashed distribution check" means any distribution check generated by an account owner's request regardless of the payee that remains uncashed by the payee for at least 180 days.

Sec. 59. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

Subd. 10. **Data.** Account owner data, account data, and data on beneficiaries of accounts are private data on individuals or nonpublic data as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive matching grants are public. The office may

use data received under this chapter to share information with account owners about the office's other programs and resources including those that describe the process to pay for postsecondary education.

Sec. 60. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision to read:

Subd. 6. **Handling of uncashed distribution checks.** Unless otherwise directed by the office, the plan administrator must mark an uncashed distribution check as no longer outstanding and must credit back the amount of the check to the account owner's account from which the check was originally disbursed. The amount being credited must be accounted for as a new contribution and will be invested by the plan administrator according to the current instructions on file from the account owner.

Sec. 61. Minnesota Statutes 2024, section 137.0246, is amended by adding a subdivision to read:

Subd. 3. **Governor appointments.** If the joint legislative committee recommends a candidate to the joint convention for a vacancy on the Board of Regents of the University of Minnesota and the legislature does not elect a person to fill the vacancy, the governor, in making an appointment to fill the vacancy, may only appoint a candidate recommended by the joint legislative committee.

Sec. 62. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2a. **Prohibition on curriculum control.** The Board of Regents of the University of Minnesota and the medical school are requested to prohibit any for-profit entity from developing, managing, or controlling curriculum taught at the medical school. Nothing in this subdivision prevents an individual from teaching at the medical school if the individual is also employed by a for-profit entity.

Sec. 63. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2b. **Reporting.** By February 15 of each odd-numbered year, the Board of Regents of the University of Minnesota is requested to submit a report on medical school curriculum to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. At a minimum, the report must include information regarding for-profit entity funds used to:

(1) pay salaries of teaching faculty;

(2) support new or existing courses offered by the medical school; and

(3) support initiatives of the medical school.

Sec. 64. **REPEALER.**

(a) Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b and 2; 136A.834, subdivisions 2, 3, and 4; 136G.03, subdivision 11; and 136G.09, subdivision 10, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are repealed."

Delete the title and insert:

A bill for an act relating to higher education; modifying student aid reporting requirements; requiring additional accommodations for parenting students; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools; modifying provisions related to private and out-of-state public postsecondary institutions; expanding eligibility for paid blood donation leave to include employees of the Minnesota State Colleges and Universities; requiring postsecondary institutions to provide priority registration for pregnant and parenting students; limiting the governor's appointment power to fill vacancies on the Board of Regents of the University of Minnesota; modifies postsecondary attainment goal; requiring reports; amending Minnesota Statutes 2024, sections 43A.187; 135A.012; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivision 1; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 137.0246, by adding a subdivision; 137.39, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

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. 4652: A bill for an act relating to financial institutions; establishing a trusted contact program to mitigate financial exploitation and fraud; limiting liability; proposing coding for new law in Minnesota Statutes, chapter 45A.

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4406: A bill for an act relating to insurance; prohibiting certain exclusions in homeowner's insurance policies when damage is done by a peace officer; amending Minnesota Statutes 2024, section 65A.27, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 65A.

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 2024, section 65A.27, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following terms have the meanings given.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to homeowner's insurance policies offered, issued, or renewed on or after that date.

Sec. 2. **[65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

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

(b) "Industrial hygienist" means an individual who has:

(1) a certified industrial hygienist credential from the Board for Global EHS Credentialing; or

(2) an equivalent certification from a nationally or internationally recognized accrediting body demonstrating competency in the anticipation, recognition, evaluation, and control of occupational and environmental health hazards.

(c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause (1).

(d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

Subd. 2. **Exclusion prohibited.** (a) A policy of homeowner's insurance must not exclude coverage for property damage if the homeowner is an innocent third party entitled to just compensation under section 626.74 and the damage results from a peace officer's use of chemical irritants, smoke screens, or diversionary devices.

(b) Nothing in this section affects a local government's duty to pay just compensation under section 626.74.

(c) Nothing in paragraph (a) prohibits a civil authority exclusion or other policy provision as long as the coverage for just compensation is not excluded.

Subd. 3. **Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens, or diversionary devices, when the homeowner is owed just compensation under section 626.74.

(b) The work performed by a mitigation contractor or industrial hygienist under this subdivision must follow recognized industry standards.

Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to or on behalf of a homeowner for damage described in this section, the insurer is subrogated as a matter

of law to the homeowner's right to recover just compensation from the responsible local government unit.

(b) Payment made by an insurer under a policy of homeowner's insurance for damages described in this section, if made in good faith and after reasonable investigation, is presumed reasonable and necessary and must be reimbursed by the responsible local government unit. Reimbursement may be denied only upon proof that the payment was obtained by fraud or that the insurer acted in bad faith. If reimbursement is not made as required by this subdivision, the insurer may bring an action to recover the amount paid and is entitled to reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811, subdivision 2, paragraph (a).

(c) If an insurer is reimbursed by a local government unit pursuant to this section, the insurer must remit to the homeowner an amount equal to any deductible the homeowner has paid toward the damage.

EFFECTIVE DATE. This section is effective January 1, 2027, and applies to homeowner's insurance policies offered, issued, or renewed on or after that date."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 1690: A bill for an act relating to environment; establishing stewardship program for circuit boards, batteries, and electrical products; prohibiting mercury in batteries; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, sections 115.071, subdivision 1; 115A.121; 115A.554; 116.92, subdivision 6, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 2024, sections 115A.1310, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12a, 12b, 12c, 13, 14, 15, 17, 18, 19, 20; 115A.1312; 115A.1314; 115A.1316; 115A.1318; 115A.1320; 115A.1322; 115A.1323; 115A.1324; 115A.1326; 115A.1328; 115A.1330; 115A.9155; 115A.9157, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 115A.961, subdivisions 1, 2, 3; 325E.125; 325E.1251.

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 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 3b. **Battery.** "Battery" means one or more galvanic cells, including any structural members, casing, and terminals.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 10d. **Facilitate a sale.** "Facilitate a sale" means to assist a person in transferring title or possession of a product, regardless of whether title or possession is ever acquired by the person

facilitating a sale, such as by operating an online marketplace, publishing an offer for sale on a website, physically storing inventory of products, entering into a contract to allow another person to list a product for sale, processing payment on behalf of another person, entering into a contract with a buyer or a seller related to a sale, or otherwise providing a sales process. Facilitate a sale does not include acting solely as:

(1) an advertiser;

(2) a payment processor; or

(3) a common carrier.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 3. **[115A.1331] STEWARDSHIP PROGRAM FOR COVERED BATTERIES; DEFINITIONS.**

(a) The terms used in sections 115A.1331 to 115A.1347 have the meanings given in this section and section 115A.03.

(b) "Battery-containing product" means a product:

(1) in which a covered battery is contained;

(2) to which a covered battery is attached; or

(3) with which a covered battery is packaged.

(c) "Brand" means a mark, a registered or unregistered trademark, a logo, a name, a symbol, a word, or an identifier that attributes a product to the owner or licensee of the brand.

(d) "Collection" means receipt of discarded covered batteries from a person, including sorting and storage that are necessary for receipt and that are performed by the covered battery collector. Collection does not include transport of a covered battery that occurs after a covered battery collector receives the covered battery, except for transport by the covered battery collector to or between a covered battery collection site or sites operated by the covered battery collector.

(e) "Covered battery" means a loose battery or a battery that is easily removable. A covered battery may be of any brand, type, physical size, energy capacity, or chemistry. A covered battery includes a covered small battery, covered medium battery, or covered large battery. A covered battery does not include:

(1) a lead acid battery regulated under sections 325E.115 and 325E.1151;

(2) a battery designed, manufactured, and intended solely for use in a motor vehicle;

(3) a battery contained within a medical device, as specified in United States Code, title 21, section 321(h), as it existed as of the effective date of this section, that is not designed and marketed for sale or resale principally to consumers for personal use;

(4) a battery removed from a permanent, stationary, energy storage system that requires installation and removal by an electrician licensed under chapter 326B;

(5) a battery transported into the state after the battery is collected in another state; or

(6) a battery subject to recall for safety reasons.

(f) "Covered battery collection site" means a physical location where a covered battery collector collects covered batteries from other persons, regardless of whether the covered battery collector operates the location permanently, temporarily, or for purposes of a collection event.

(g) "Covered battery collector" means a person that collects covered batteries on behalf of and under agreement with a covered battery stewardship organization and receives reimbursement at the rates determined according to section 115A.1335 from the covered battery stewardship organization for the covered battery collector's costs for collection of the covered batteries.

(h) "Covered battery producer" means the following person responsible for compliance with requirements under sections 115A.1331 to 115A.1347 for a covered battery sold, including online sales, offered for sale or promotional purposes, or distributed in or into the state:

(1) for a covered battery:

(i) if the covered battery is sold, offered, or distributed under a brand owned by the person that manufactured the covered battery, the producer is the person that manufactured the covered battery;

(ii) if the covered battery is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the covered battery, the producer is the person that owned the brand;

(iii) if the covered battery is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the covered battery is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the covered battery into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the covered battery in or into the state;

(2) for a covered battery contained in, attached to, or packaged with a battery-containing product:

(i) if the battery-containing product is sold, offered, or distributed under a brand owned by the person that manufactured it, the producer is the person that manufactured the battery-containing product;

(ii) if the battery-containing product is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the battery-containing product, the producer is the person that owned the brand;

(iii) if the battery-containing product is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the battery-containing product is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the battery-containing product into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the battery-containing product in or into the state;

(3) notwithstanding clause (2), a producer does not include any person that manufactured, imported into the United States, or sold, offered, or distributed in or into the state a battery-containing product if the producer of the only covered batteries contained in, attached to, or packaged with the battery-containing product is named as a participant by a covered battery stewardship organization and both the person and the participant acknowledge such in writing to the covered battery stewardship organization; and

(4) notwithstanding clauses (1) and (2), a person that voluntarily assumes the responsibility of a producer of a covered battery and certifies that they have assumed the responsibility of a producer in writing to the commissioner is the producer of the covered battery.

(i) "Covered battery stewardship organization" means an organization that contracts with one or more covered battery producers to meet the producers' obligations under sections 115A.1331 to 115A.1347.

(j) "Covered battery stewardship plan" or "stewardship plan" means a plan that is prepared according to section 115A.1335 and submitted to the commissioner by each covered battery stewardship organization.

(k) "Covered battery stewardship program" means a system implemented by a covered battery stewardship organization to manage all covered batteries offered to a covered battery collector by arranging and paying for the collection, covered services, and all other activities described in a covered battery stewardship plan approved by the commissioner under section 115A.1335, subdivision 4.

(l) "Covered large battery" means a covered battery that weighs more than 25 pounds or has an energy capacity greater than 2,000 watt-hours or both. Covered large battery does not include a battery that is designed, manufactured, and intended solely for use in manufacturing, industrial, or other commercial settings.

(m) "Covered large battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (b), and (e).

(n) "Covered medium battery" means a covered battery that weighs more than 11 pounds but equal to or less than 25 pounds or has an energy capacity greater than 300 watt-hours but equal to or less than 2,000 watt-hours.

(o) "Covered medium battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (c), and (e).

(p) "Covered services" means transportation, processing, recycling, and disposal of covered batteries and residual materials after collection. Covered services does not include:

(1) repair or reuse of a covered battery by the collector; or

(2) transport of a covered battery by the covered battery collector that collected it to or between a covered battery collection site or sites that are operated by the covered battery collector.

(q) "Covered small battery" means a covered battery that weighs 11 pounds or less and has an energy capacity of 300 watt-hours or less.

(r) "Covered small battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (d), and (e).

(s) "Distribute" means to sell, offer, supply, ship, transport, or deliver a product to a person that sells, offers, supplies, ships, transports, or delivers the product in or into the state, regardless of whether title to the product is ever acquired by a person distributing the product.

(t) "Easily removable" or "easily removed" means that a battery can be removed by a single person from a product by hand or by hand and the use of only:

(1) a flathead, crosshead, or Phillips screwdriver;

(2) a paper clip;

(3) a coin; or

(4) a hex key.

(u) "Household hazardous waste management program" means a program established under section 115A.96 to collect and manage household hazardous waste, as defined in section 115A.96, that is established or operated by the agency or another public entity, including but not limited to a political subdivision, state agency, or federally recognized Tribe.

(v) "Independent auditor" means a certified public accountant that:

(1) holds a current active license under chapter 326A and rules adopted thereunder;

(2) is retained by a covered battery stewardship organization;

(3) is not otherwise employed by or affiliated with the commissioner or a covered battery stewardship organization; and

(4) is qualified to conduct an audit under section 115A.1337, subdivision 6, clause (8).

(w) "Loose battery" means a battery that is not contained in or attached to a product. A loose battery does not include a battery that is contained in an enclosure when the enclosure is not integral to the operation of the battery.

(x) "Motor vehicle" has the meaning given in section 168.002.

(y) "Participant" means a covered battery producer that is named by a covered battery stewardship organization as meeting the covered battery producer's obligations under sections 115A.1331 to 115A.1347. If one covered battery producer is named as a participant by voluntarily assuming responsibility for a covered battery on behalf of other covered battery producers under paragraph (h), clause (4), then all those covered battery producers are also participants.

(z) "Rechargeable battery" means a battery that is designed and intended to have electrical energy added to it by electrical or physical means after use.

(aa) "Residual material" means materials and wastes resulting from processing, recycling, or disposal of covered batteries.

(bb) "Responsible market" means a market for covered batteries, for reclaimed materials from collected covered batteries, or for any other recyclable residual material from collected covered batteries that:

(1) reuses, recycles, or otherwise recovers materials and disposes of contaminants in a manner that protects the environment and minimizes risks to public health and worker health and safety;

(2) complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(3) possesses all licenses and permits required by a federal or state agency or political subdivision;

(4) if operating in the state, recycles batteries to the maximum extent practicable in accordance with section 115A.02, paragraph (b); and

(5) minimizes adverse impacts to environmental justice areas.

(cc) "Specialized covered battery recycler" means a person that, if and as applicable, is properly authorized by the commissioner or, if operating in another state or country, an equivalent state, federal, or other governmental body, to process, recycle, or reclaim useful materials from covered batteries.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 4. **[115A.1335] COVERED BATTERY STEWARDSHIP PLAN AND BUDGET.**

Subdivision 1. **Due dates.** (a) By July 1, 2027:

(1) each covered battery producer must contract with a covered battery stewardship organization to act on the covered battery producer's behalf for purposes of complying with the producer's obligations under sections 115A.1331 to 115A.1347; and

(2) each covered battery stewardship organization must:

(i) notify the commissioner that it has been designated by covered battery producers to act on their behalf; and

(ii) provide to the commissioner its identity and contact information.

(b) By January 1, 2029, a covered battery stewardship organization must submit to the commissioner a covered battery stewardship plan that meets all requirements of subdivision 2 for review under subdivision 4.

Subd. 2. **Plan content; budget requirement.** (a) The covered battery stewardship plan must include:

(1) identification of and contact information for the covered battery stewardship organization;

(2) a description and example of contracts, including a list of all parties to the contracts, that must:

(i) clearly grant the covered battery stewardship organization the authority to act on behalf of the participants that the covered battery stewardship organization represents to implement the covered battery stewardship plan;

(ii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to comply with the approved covered battery stewardship plan; and

(iii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to fund the covered battery stewardship organization as necessary to implement the covered battery stewardship plan, pay for associated costs, and pay for fees and penalties assessed by the commissioner;

(3) identification of and contact information for all participants in the covered battery stewardship program;

(4) identification of and contact information for each covered battery collector or prospective covered battery collector that has agreed to operate covered battery collection sites to collect covered batteries on behalf of the covered battery stewardship organization and documentation of such agreements. A covered battery collection site may only be included in one covered battery stewardship plan at a time;

(5) identification of and contact information for each person providing covered services and the location of all facilities where covered services will be provided;

(6) identification and contact information for those persons that the covered battery stewardship organization has contracted with and that will administer and implement the covered battery stewardship program in accordance with section 115A.1337, subdivision 7. The relationship of the other persons to the covered battery stewardship organization and their role in administering and implementing the covered battery stewardship program must be described;

(7) the address, county of location, and, in a form prescribed by the commissioner, geolocation data for each covered battery collection site to be served through the covered battery stewardship organization under the covered battery stewardship program and identification of those covered battery collection sites that are operated by a household hazardous waste management program;

(8) a list of the brands covered under the covered battery stewardship program;

(9) eligibility criteria for prospective covered battery collectors;

(10) a description of how the covered battery stewardship program will provide convenient, statewide collection according to subdivision 3 without collection of covered batteries performed by collection sites on behalf of another covered battery stewardship organization;

(11) a description of how the covered battery stewardship organization will annually monitor and ensure continuing compliance with the convenience standards under subdivision 3;

(12) a description of how the covered battery stewardship organization will ensure each covered battery collector is provided with the materials specified in section 115A.1337, subdivision 1;

(13) a description of how covered battery collection sites will be accessible according to section 115A.1337, subdivision 2;

(14) the performance standards for persons providing covered services for the covered battery stewardship organization and the oversight methods by which the covered battery stewardship organization will ensure continuing compliance with the performance standards. The covered battery stewardship organization may determine performance standards, which at a minimum must:

(i) accord with clauses (17) to (20), (22), (23), and (36);

(ii) ensure that covered services other than transportation are provided only by specialized covered battery recyclers; and

(iii) ensure covered batteries and residual materials are managed through responsible markets;

(15) a description of the oversight methods by which the covered battery stewardship organization will ensure continuing compliance with the performance standards under clause (14);

(16) a description of how the covered battery stewardship organization will ensure that there are multiple persons providing covered services to ensure resiliency in the system;

(17) a description of methods by which the covered battery stewardship organization will ensure that discarded covered batteries and residual materials managed under the covered battery stewardship program are managed while in the state in compliance with rules adopted under section 116.07 for managing solid waste and hazardous waste, when applicable, and, when outside the state, with all applicable legal requirements for managing solid waste and hazardous waste, as applicable;

(18) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (17) by any person handling covered batteries under the covered battery stewardship program;

(19) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed in compliance with safety and health requirements for employees administered by the Department of Labor and Industry and with fire protection requirements administered by the Department of Public Safety while in the state and, when outside the state, with all applicable federal, state, and local employee safety and health requirements and fire protection requirements;

(20) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (19) by any person handling covered batteries under the covered battery stewardship program;

(21) a description of how the covered battery stewardship organization will ensure sufficient and timely pickup and transport of covered batteries are provided to each covered battery collection site so that the covered battery collection site can continuously and safely collect and store covered batteries;

(22) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are transported in compliance with applicable regulations incorporated by reference under section 221.033 for transporting hazardous materials while in the state and, when outside the state, with all applicable legal requirements for transporting hazardous materials;

(23) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (22) by any person handling covered batteries under the covered battery stewardship program;

(24) a statement of indemnification by the covered battery stewardship organization to covered battery collectors for potential liability for improper downstream management of covered batteries or residual materials by providers of covered services arranged for by the covered battery stewardship organization and identified in the covered battery stewardship plan under clause (5);

(25) a description of how the covered battery stewardship organization will determine and annually report the quantity of covered batteries collected under the covered battery stewardship program by chemistry by weight;

(26) a description of the outreach and education methods and activities that the covered battery stewardship organization will ensure are provided according to section 115A.1337, subdivision 4;

(27) a description of how the covered battery stewardship organization will ensure that there is at least one full-time representative of the covered battery stewardship organization who is dedicated to implementing the covered battery stewardship program in this state and serves as the primary contact between the covered battery stewardship organization and the agency;

(28) the proposed reimbursement rates for covered battery collectors that are household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all costs of collection incurred by the covered battery collectors, which include but are not limited to:

(A) labor, overhead, and supplies;

(B) necessary collection and storage structures and containers;

(C) employee training; and

(D) necessary safety materials;

(ii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iii) necessary safety materials described in item (i), subitem (D), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(iv) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are household hazardous waste management programs;

(29) the proposed reimbursement rates for covered battery collectors that are not household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all of the following costs of collection incurred by the covered battery collectors:

(A) necessary collection and storage structures, containers, and supplies;

(B) employee training; and

(C) necessary safety materials;

(ii) the proposed reimbursement rates may, on agreement with the covered battery collectors, cover costs of collection in addition to those described in item (i);

(iii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iv) necessary safety materials described in item (i), subitem (C), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(v) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are not household hazardous waste management programs;

(30) documentation that the covered battery collectors and prospective covered battery collectors identified in clause (4) have agreed to the proposed reimbursement rates in clauses (28) and (29);

(31) documentation that the number of covered battery collection sites identified in clause (7) to be operated by the covered battery collectors identified in clause (4) are sufficient to ensure that the covered battery stewardship organization will comply with the convenience standards of subdivision 3;

(32) a description of the system by which the covered battery stewardship organization will provide advance payment or reimbursement to covered battery collectors in a manner that provides:

(i) periodic automatic payment of reimbursements at least annually; or

(ii) a process for submitting reimbursement requests and reasonable timelines for reimbursement, at intervals no longer than monthly unless otherwise agreed to by the covered battery collector;

(33) a description of the system by which the covered battery stewardship organization will pay persons providing covered services in a manner that provides:

(i) a clear process for submitting invoices; and

(ii) reasonable timelines for payment, at intervals agreed to by the person providing covered services;

(34) a description of how the covered battery stewardship program costs will be allocated among participants, either individually or among groups of participants identified by the covered battery stewardship organization, such that the costs of managing covered batteries are allocated equitably. As part of this description, a clear assignment of responsibility for costs of managing covered batteries subject to a voluntary or mandatory recall to the participant or participants associated with those covered batteries and not other participants must be included;

(35) a description of how the covered battery stewardship organization will comply with subdivision 6, paragraph (b);

(36) a description of how the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed to the maximum extent practicable in accordance with section 115A.02, paragraph (b);

(37) a description of how the covered battery stewardship organization will take actions within its purview and provide feedback for covered battery producers to enable improvements in product design and material use, technology, and personnel training that could raise the future maximum extent practicable for management described in clause (36), including consideration of covered battery reuse, repair, and product life cycle;

(38) a description of how the covered battery stewardship organization will annually report to the commissioner, by chemistry by weight, the end management through recycling or disposal of covered batteries for which the covered battery stewardship program was responsible during each calendar year; and

(39) a description of how the covered battery stewardship organization will take action to decrease the incidence of covered batteries in solid waste in the state, including providing collection opportunities under section 115A.1337, subdivision 2, paragraph (b).

(b) By January 1, 2029, and annually thereafter, the covered battery stewardship organization must submit an anticipated annual budget for the covered battery stewardship program for that calendar year, broken down into the covered battery stewardship program's estimated costs for administration, collection, sorting after collection, storage after collection, transportation after collection, processing, recycling, disposal, and communication, including the cost of fees under section 115A.1339. The budget is not subject to review and approval under subdivisions 4 and 5.

Subd. 3. **Convenience standards.** (a) The covered battery stewardship plan must provide convenient, statewide collection for all covered batteries that are offered to covered battery collectors by a person in the state, regardless of:

(1) a covered battery's type, physical size, energy capacity, or chemistry;

(2) a covered battery's brand; or

(3) the producer of a covered battery.

(b) A covered battery stewardship plan submitted by a covered battery stewardship organization must independently meet the convenience standards in paragraphs (c) to (e) without cost sharing, collaboration, or consideration of activities of another covered battery stewardship organization.

(c) For covered small batteries, the covered battery stewardship organization must:

(1) in each county with a population of 10,000 or less, maintain at least two covered small battery collection sites;

(2) in each county with a population greater than 10,000 but less than or equal to 100,000, maintain at least two covered small battery collection sites and at least one additional covered small battery collection site for each additional 10,000 in population above a population of 10,000;

(3) in each county with a population greater than 100,000, maintain at least 11 covered small battery collection sites and at least one additional covered small battery collection site for each additional 50,000 in population above a population of 100,000; and

(4) maintain a covered small battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(d) For covered medium batteries, the covered battery stewardship organization must:

(1) in each county with a population of 100,000 or less, maintain at least one covered medium battery collection site;

(2) in each county with a population greater than 100,000, maintain at least two covered medium battery collection sites and at least one additional covered medium battery collection site for each additional 100,000 in population above a population of 100,000; and

(3) maintain a covered medium battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(e) For covered large batteries, the covered battery stewardship organization must maintain at least four covered large battery collection sites in each of the 11 development regions of the state, as designated by section 462.385, except for region 11, in which ten large battery collection sites must be maintained.

(f) When demonstrating compliance with paragraphs (c), (d), and (e), a covered battery stewardship organization may count:

(1) a covered large battery collection site as a covered medium battery collection site and a covered small battery collection site; and

(2) a covered medium battery collection site as a covered small battery collection site.

(g) The covered battery stewardship organization must ensure no net loss in estimated collection convenience and capacity for covered batteries from the program in place on January 1, 2026.

(h) Upon a showing by the covered battery stewardship organization that meeting the convenience standard of paragraph (c), (d), or (e), for a specific county or development region would cause undue hardship to the covered battery stewardship organization, the commissioner may approve an alternative convenience standard if the proposed alternative convenience standard would reasonably result in equivalent covered battery collection convenience.

Subd. 4. **Review of covered battery stewardship plan; implementation.** (a) Within 120 days after receiving a complete covered battery stewardship plan submitted under this section, the commissioner must determine whether the stewardship plan complies with this section and will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable. The commissioner must provide a written notice of determination according to this subdivision.

(b) In conducting a review of a covered battery stewardship plan, the commissioner may consult with interested parties.

(c) For at least 30 days before approving a covered battery stewardship plan, the commissioner must place the stewardship plan on the agency's publicly accessible website for public review and comment.

(d) If the commissioner determines that a covered battery stewardship plan fails to comply with this section or will not ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must reject the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization describing the reasons for the rejection.

(e) After any consultation under paragraph (b) and review of public comments received under paragraph (c), if the commissioner determines that a covered battery stewardship plan will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must approve the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization and must publish the approved covered battery stewardship plan on the agency's publicly accessible website within 30 days after approval.

(f) The covered battery stewardship organization must implement the covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are approved by the commissioner according to subdivision 5, within 60 days after receiving written notice of approval.

(g) For each covered battery stewardship plan or amendment submitted to the commissioner for review, the commissioner may consider the data submitted according to section 115A.1337,

subdivision 6, and other relevant information to establish requirements to improve the effectiveness, performance, and awareness of the covered battery stewardship program.

Subd. 5. **Amending or terminating a covered battery stewardship plan.** (a) The covered battery stewardship organization may amend a covered battery stewardship plan approved under subdivision 4 without review or approval by the commissioner to make the changes specified in clauses (1) to (3). Within 30 days after adopting an amendment under this paragraph, the covered battery stewardship organization must report the amendment to the commissioner and the commissioner must publish the amended stewardship plan on the agency's publicly accessible website. The covered battery stewardship organization must implement amendments made to a stewardship plan under this paragraph within 60 days after adopting the amendment. The covered battery stewardship organization may:

(1) add; terminate, when authorized under section 115A.1337, subdivision 1, if applicable; or replace a covered battery collector, collection site, person providing covered services, or facility where covered services will be performed;

(2) add or remove participants or brands covered under the covered battery stewardship plan; or

(3) change contact staff or contact staff information for a covered battery stewardship organization, participants, covered battery collectors, or persons providing covered services.

(b) Except for an amendment under paragraph (a), a covered battery stewardship plan containing any amendment must be submitted to and reviewed and approved by the commissioner before it may be implemented by the covered battery stewardship organization. The commissioner must review and approve or reject the covered battery stewardship plan containing the proposed amendment according to subdivision 4.

(c) The covered battery stewardship organization must submit an amended covered battery stewardship plan for review:

(1) at least every five years according to this subdivision and subdivision 4; or

(2) within 60 days if the commissioner determines that an amended stewardship plan is necessary to implement sections 115A.1331 to 115A.1347.

(d) The covered battery stewardship organization may terminate a covered battery stewardship plan only:

(1) by providing at least 90 days' written notice to the commissioner and to all covered battery stewardship organizations and participants in the covered battery stewardship program; and

(2) after a replacement covered battery stewardship plan submitted by the covered battery stewardship organization or a new covered battery stewardship organization is approved by the commissioner under subdivision 4.

(e) The commissioner may terminate a covered battery stewardship plan for good cause, as defined in paragraph (f). If the commissioner terminates a covered battery stewardship plan, the

commissioner must provide the covered battery stewardship organization with written notice of termination describing the good cause for termination. The commissioner must also notify all participants in the covered battery stewardship program in writing of the termination, using the contact information for the participants provided in the covered battery stewardship plan.

(f) For purposes of paragraph (e), "good cause" includes but is not limited to:

(1) failure by the covered battery stewardship organization to:

(i) fully and accurately disclose required or requested information to the commissioner;

(ii) comply with the terms of sections 115A.1331 to 115A.1347; or

(iii) pay fees or penalties owed to the commissioner or comply with an order lawfully issued by the commissioner; and

(2) a finding that the covered battery stewardship organization's activities endanger human health or the environment and the danger cannot reasonably be removed by an amendment to the covered battery stewardship plan.

Subd. 6. **Compliance.** (a) The covered battery stewardship organization must comply with the covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are made according to subdivision 5, paragraph (a) or (b). The covered battery stewardship organization must ensure that all participants, covered battery collectors, and persons providing covered services acting on behalf of the covered battery stewardship organization also comply with the stewardship plan and are responsible to the covered battery stewardship organization and to the commissioner for compliance.

(b) The covered battery stewardship organization must ensure that covered battery collectors are reimbursed according to the reimbursement rates approved by the commissioner according to this section and the system described in the covered battery stewardship plan.

(c) The covered battery stewardship organization must ensure that all costs of the covered battery stewardship program as specified in sections 115A.1331 to 115A.1347 are fully paid for by participants. All costs of the covered battery stewardship program must be allocated fairly between groups of participants without any fee, charge, surcharge, or any other cost to:

(1) any member of the public;

(2) any business other than a covered battery producer;

(3) any covered battery collector;

(4) any person providing covered services;

(5) the state or any political subdivision; or

(6) any other person that is not a covered battery producer.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 5. **[115A.1337] COVERED BATTERY STEWARDSHIP ORGANIZATION; DUTIES AND STRUCTURE.**

Subdivision 1. **Duties to covered battery collectors.** (a) The covered battery stewardship organization must ensure that the following are provided to each covered battery collector:

(1) reimbursement at the rates determined according to section 115A.1335 and the system described in the covered battery stewardship plan;

(2) pickup and transport of collected covered batteries from each covered battery collection site in sufficient time and quantity to allow the covered battery collector to safely receive covered batteries without interruption or cost to the covered battery collector;

(3) appropriate containers for storage and transportation of covered batteries and supplies necessary for the collection of covered batteries;

(4) signage to identify collection sites and the covered batteries accepted at the collection sites;

(5) training for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries; and

(6) educational materials that address the information described in subdivision 4, paragraph (a), clause (3), for distribution to members of the public and businesses in Minnesota. The educational materials must be made available in English and at least the three languages most commonly spoken at homes in the state other than English, according to the state demographer.

(b) The covered battery stewardship organizations must consider the request of a covered battery collector to perform covered services if the covered battery collector meets the performance standards in the covered battery stewardship plan under section 115A.1335, subdivision 2, paragraph (a), clause (14), and the covered battery collector and the covered battery stewardship organization agree after negotiation in good faith on the fees to be paid to the covered battery collector for performing the covered services. The covered battery stewardship plan must identify the covered battery collector as providing covered services according to section 115A.1335, subdivision 2, paragraph (a), clause (5).

(c) The covered battery stewardship organizations must allow the following persons to serve as a covered battery collector:

(1) a person that agrees to operate or continues to operate a covered battery collection site in compliance with section 115A.1341, subdivision 1, paragraphs (a) and (e), and with paragraph (b), (c), or (d), as applicable, and with:

(i) the conditions in section 115A.1335, subdivision 2, paragraph (a), clauses (17) to (20), (22), and (23), and any other applicable provisions of the covered battery stewardship plan in section 115A.1335; and

(ii) section 115A.1341; and

(2) a household hazardous waste management program.

(d) The covered battery stewardship organization may terminate a covered battery collector, except a household hazardous waste management program, and cease payment to the covered battery collector for good cause. Good cause under this paragraph does not include accepting a battery subject to recall. The covered battery stewardship organization may suspend a covered battery collector that is a household hazardous waste management program and cease payment to the covered battery collector for good cause with the approval of the commissioner, until the commissioner determines that the household hazardous waste management program is compliant with sections 115A.1331 to 115A.1347.

Subd. 2. **Accessibility.** (a) The covered battery stewardship program must provide convenient, equitable, and accessible service to all persons in Minnesota, including but not limited to people of color; Minnesota Tribal governments as defined in section 10.65, subdivision 2; those that are non-English speaking; immigrant and refugee communities; those with limited access to transportation; and those in environmental justice areas.

(b) The covered battery stewardship program must include collection opportunities beyond those required under section 115A.1335, subdivision 3, to better serve populations under paragraph (a).

(c) Where feasible, the covered battery stewardship program must encourage establishing covered battery collection sites in proximity to local public transit.

Subd. 3. **Oversight.** The covered battery stewardship organization must ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed according to the performance standards in section 115A.1335, subdivision 2, paragraph (a), clause (14), by all persons providing covered services.

Subd. 4. **Program effectiveness.** (a) To support the effectiveness of the covered battery stewardship program, the covered battery stewardship organization must provide outreach and education to:

(1) persons that might sell, offer for sale or promotional purposes, distribute, or facilitate a sale of covered batteries in or into the state, to inform them of the requirements of section 115A.1347, subdivision 2;

(2) potential covered battery collectors and persons that are collecting covered batteries before the effective date of this section to inform them how to request coverage by the covered battery stewardship program; and

(3) members of the public to raise awareness of:

(i) public health and safety and environmental risks caused by improperly charging, storing, and disposing of covered batteries;

(ii) the need to safely charge and store covered batteries;

(iii) the benefits of recycling covered batteries in contrast to disposal; and

(iv) the existence of the covered battery stewardship program and the ability to manage covered batteries at no cost, including the location and convenience of covered battery collection sites in the state.

(b) The covered battery stewardship organization must maintain a publicly accessible website to locate covered battery collection sites through map-based and text-based searches.

(c) The commissioner may determine the effectiveness of the covered battery stewardship program using information from waste composition studies under section 115A.412 and other information available to the commissioner. The commissioner may require the covered battery stewardship organization to submit for approval proposals that when implemented would decrease the incidence of covered batteries in solid waste in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (39). The covered battery stewardship organization must implement a proposal that is approved by the commissioner.

Subd. 5. **Stakeholder consultation.** (a) Covered battery stewardship organizations must jointly and regularly consult with stakeholders associated with covered batteries. At least one consultation meeting must occur before each covered battery stewardship plan is submitted to the commissioner.

(b) Consultation meetings are to:

(1) assist with drafting and continuous review of a covered battery stewardship organization's outreach and education activities, including but not limited to signage and educational materials; and

(2) make recommendations to a covered battery stewardship organization and the commissioner to continuously improve the effectiveness of the outreach and education activities and maximize participation in a covered battery stewardship program.

(c) Meetings must include representatives of stakeholders of the covered battery stewardship program, including but not limited to the commissioner, household hazardous waste management programs, covered battery collectors that are not household waste management programs, persons providing or that might provide covered services, producers, and other persons providing statewide representation.

Subd. 6. **Reporting.** By June 1 each year after a covered battery stewardship plan is approved under section 115A.1335, subdivision 4, the covered battery stewardship organization must report to the commissioner, in a form and manner prescribed by the commissioner, on the covered battery stewardship organization's activities during the preceding calendar year. The report must include:

(1) the address, county of location, and geolocation data for each covered battery collection site served by the covered battery stewardship program during the preceding calendar year;

(2) the chemistry by weight of covered batteries collected during each calendar year, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (25);

(3) a description by chemistry by weight of the end management through recycling or disposal of the covered batteries shipped from covered battery collection sites under the covered battery

stewardship program, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (38);

(4) the method or methods of verification used by the covered battery stewardship organization to ensure that the description in clause (3) accurately reflects the actual end management of the covered batteries;

(5) the effectiveness of the covered battery stewardship organization's efforts to decrease the incidence of covered batteries in solid waste in the state, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (39);

(6) a summary of the results of the oversight according to section 115A.1335, subdivision 2, paragraph (a), clause (14);

(7) a description of outreach and education activities provided by the covered battery stewardship organization during the preceding calendar year according to subdivision 4;

(8) a financial report on the covered battery stewardship program, including actual costs and funding compared to the budget for the year submitted under section 115A.1335, subdivision 2, paragraph (b). The financial report must include an audit report of the covered battery stewardship program, including the covered battery stewardship organization and any additional covered battery stewardship organizations, by an independent auditor. The independent auditor may be selected by the covered battery stewardship organization and may be rejected by the commissioner for good cause. If the commissioner rejects an independent auditor, the covered battery stewardship organization must select a different independent auditor for approval or rejection by the commissioner;

(9) the proposed and actual budget for the period covered by the report; and

(10) starting on the second April after the covered battery stewardship organization's first covered battery stewardship plan is approved by the commissioner, and then every third year thereafter, a performance audit of the covered battery stewardship program. The performance audit must conform to audit standards established by the United States Government Accountability Office; the National Association of State Auditors, Comptrollers and Treasurers; or another nationally recognized organization approved by the commissioner.

Subd. 7. **Organization of a covered battery stewardship organization.** (a) A covered battery stewardship organization must comply with section 5.36.

(b) A covered battery stewardship organization may contract with any persons to implement or administer a portion or portions of the covered battery stewardship plan or to coordinate with a group or groups of participants.

(c) A contract established under paragraph (b) must be described under section 115A.1335, subdivision 2, paragraph (a), clause (6).

(d) Notwithstanding any contract established under paragraph (b), the covered battery stewardship organization must:

(1) submit a covered battery stewardship plan to the commissioner meeting the requirements of sections 115A.1331 to 115A.1347;

(2) submit a report to the commissioner according to subdivision 6 meeting the requirements of sections 115A.1331 to 115A.1347;

(3) serve as the single point of contact for reporting, reimbursement, and payment to the agency; and

(4) maintain all responsibility and liability for compliance with all other requirements of sections 115A.1331 to 115A.1347 applicable to the covered battery stewardship organization.

EFFECTIVE DATE. This section is effective July 1, 2027.

Sec. 6. **[115A.1339] FEES.**

Subdivision 1. **Administrative fees.** (a) By October 1, 2027, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 from July 1, 2026, to June 30, 2027.

(b) By December 1, 2027, the commissioner must assess an administrative fee and equally split the fee among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (a). A covered battery stewardship organization must pay the assessed administrative fee by the due date set by the commissioner.

(c) By April 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of July through December of the preceding calendar year. By October 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of January through June of that calendar year.

(d) Notwithstanding section 16A.1283, the commissioner must semiannually assess the annual administrative fees and equally split the fees among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (c). A covered battery stewardship organization must pay the assessed administrative fees by the due dates set by the commissioner.

(e) All agency costs calculated under this subdivision may be recovered in a civil action brought by the attorney general against any person that may be liable under this subdivision or any other law. Any costs that are recovered by the attorney general, including any award of attorney fees, must be deposited in the covered battery stewardship account in the special revenue fund.

Subd. 2. **Disposition of fees.** The total amount of net fees collected under this section must not exceed the amount necessary to reimburse agency costs as calculated under subdivision 1. All fees received under subdivision 1 must be deposited in the state treasury and credited to a covered battery stewardship account in the special revenue fund. The amount collected under this section is annually appropriated to the commissioner to implement and enforce sections 115A.1331 to 115A.1347.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 7. **[115A.1341] COVERED BATTERY COLLECTOR DUTIES.**

Subdivision 1. **Accepting covered batteries.** (a) All covered battery collectors must accept covered batteries of any brand, type, or chemistry without imposing a fee, charge, surcharge, or other cost to any person other than the covered battery stewardship organization.

(b) At a covered large battery collection site, a covered battery collector must accept from any person daily at least:

(1) ten covered small batteries;

(2) four covered medium batteries; and

(3) two covered large batteries.

(c) At a covered medium battery collection site, a covered battery collector must accept from any person daily at least:

(1) ten covered small batteries; and

(2) four covered medium batteries.

(d) At a covered small battery collection site, a covered battery collector must accept from any person daily at least ten covered small batteries.

(e) A covered battery collection site must be open to receiving covered batteries at least 12 operating hours per week, 50 weeks each calendar year.

(f) A household hazardous waste management program may accept covered batteries at any covered battery collection site that the program operates.

(g) A covered battery stewardship organization may count a covered battery collection site when demonstrating compliance with the convenience standards under section 115A.1335, subdivision 3, only if the covered battery collection site complies with paragraph (b), (c), or (d).

Subd. 2. **Storing accepted covered batteries.** A covered battery collector must manage and store all accepted covered batteries safely and in compliance with all applicable federal, state, and local laws, including but not limited to applicable rules adopted under section 116.07 for managing solid waste and hazardous waste.

Subd. 3. **Training.** A covered battery collector must ensure and document that training is provided for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries. The covered battery collector may provide the training or may receive training through the covered battery stewardship organization.

Subd. 4. **Record keeping.** (a) A covered battery collector must maintain records as specified in this paragraph for at least three years and make the records available to the commissioner for

inspection. The records must include the chemistry by weight of covered batteries and any additional information required by the commissioner. The records must document for each calendar year the covered batteries:

(1) accepted at a covered battery collection site; and

(2) shipped from a covered battery collection site.

(b) A covered battery collector must maintain documentation of each employee's training related to covered batteries starting on the date of training and for at least three years following the last day that the employee worked for the covered battery collector.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 8. **[115A.1345] OTHER AUTHORITIES AND DUTIES.**

Subdivision 1. **Limited private right of action against producers.** (a) Except as provided in paragraph (d), the covered battery stewardship organization may maintain a civil action against one or more covered battery producers to recover a portion of the covered battery stewardship organization's costs and additional amounts according to this subdivision.

(b) Damages recoverable under this subdivision may not exceed a fair share of the actual costs incurred by the plaintiff covered battery stewardship organization under sections 115A.1331 to 115A.1347; of managing covered batteries of other covered battery producers that were not participants; or that should otherwise have been due to the covered battery stewardship organization. Additional amounts recoverable under this subdivision include an award of reasonable attorney fees and costs. If a defendant covered battery producer did not participate in the covered battery stewardship program during the period when covered batteries of the defendant were managed by the plaintiff covered battery stewardship organization, a punitive sum of up to three times the damages awarded may be assessed.

(c) A plaintiff covered battery stewardship organization may establish a defendant covered battery producer's fair share of the plaintiff's actual costs by providing the court with information establishing the process by which the defendant covered battery producer's share of covered battery stewardship program costs would have been allocated had the defendant covered battery producer been a participant in the program or paid its allocated share if it was a participant. The plaintiff covered battery stewardship organization may use data from covered battery producers similar in covered battery, financial status, or market share to the defendant covered battery producer to provide the information.

(d) An action may not be commenced under this subdivision against a potential defendant until 60 days after the plaintiff provides to all potential defendants a written notice of the claim setting forth the amount of the claim and the basis for the calculation of the amount.

(e) No action may be brought under this subdivision against a person other than a covered battery producer.

(f) The commissioner may not be a party to or be required to provide assistance or otherwise participate in a civil action authorized under this subdivision unless subject to a subpoena before a court of jurisdiction.

Subd. 2. **Conduct authorized.** A covered battery producer or covered battery stewardship organization that organizes collection and covered services for covered batteries under sections 115A.1331 to 115A.1347 is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the covered battery producer's or covered battery stewardship organization's chosen system.

Subd. 3. **Duty to retain and provide information.** (a) Upon request of the commissioner for purposes of implementing sections 115A.1331 to 115A.1347, 115A.9157, or 325E.125, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(b) A covered battery stewardship organization must retain any information referenced in a covered battery stewardship plan or report required under section 115A.1337 for at least three years after the termination of the covered battery stewardship plan.

Subd. 4. **Contracts.** (a) Any person awarded a contract under chapter 16C for purchase or lease of covered batteries that is found to be in violation of sections 115A.1331 to 115A.1347 is subject to the following sanctions:

(1) the contract must be voided if the commissioner of administration determines that the potential adverse impact to the state is exceeded by the benefit obtained from voiding the contract; and

(2) the contractor is subject to suspension and disbarment under Minnesota Rules, part 1230.1150.

(b) If the attorney general establishes that any money, property, or benefit was obtained by a contractor as a result of violating sections 115A.1331 to 115A.1347, the court may, in addition to any other remedy, order the disgorgement of the unlawfully obtained money, property, or benefit.

Subd. 5. **Multistate implementation.** The commissioner may participate in establishing a regional multistate organization or compact to assist in carrying out the requirements of sections 115A.1331 to 115A.1347.

Subd. 6. **Rules.** The commissioner may adopt rules to implement sections 115A.1331 to 115A.1347. The 18-month time limit under section 14.125 does not apply to rulemaking under this subdivision.

Subd. 7. **Batteries subject to recall for safety reasons.** All costs for receipt, sorting, storage, transport, processing, recycling, and disposal of a battery subject to recall for safety reasons that would otherwise be a covered battery are the responsibility of the person that would otherwise be the covered battery producer of the battery. A covered battery stewardship organization may charge that person for any costs incurred by the covered battery stewardship organization managing such a battery. The covered battery stewardship organization may take action under subdivision 1 to recover such costs. A covered battery stewardship organization is responsible only for collection and management of such a battery if received by a covered battery collector, and not any other actions associated with recall of the battery.

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

Sec. 9. **[115A.1347] DISPOSAL PROHIBITIONS; BATTERY LABELING; COVERED BATTERY SALES RESTRICTION.**

Subdivision 1. **Disposal prohibition.** (a) A person may not place a covered battery into:

(1) solid waste; or

(2) a recycling container that a covered battery collector has not clearly marked for use for collecting covered batteries.

(b) A person must manage a covered battery that is discarded by delivering the covered battery to a covered battery collection site or to a recycling facility for covered batteries.

(c) Until recycled, covered batteries are not exempt from any applicable rules adopted under section 116.07 for managing hazardous waste.

Subd. 2. **Labeling and sale; requirements.** (a) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery in or into the state unless the covered battery is labeled as required under clauses (1) and (2). Labeling under this paragraph must be permanently marked on or affixed to the covered battery and must use language, graphics, or a QR code. A QR code must be compliant with International Organization of Standardization 18004:2015 and access equivalent data via the Internet that is available without a fee or a requirement to create an account. The labeling must identify:

(1) the battery chemistry employed to store energy in the battery; and

(2) the manufacturer of the battery or the brand under which the battery will be sold.

(b) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state unless:

(1) the covered battery producer is named as a participant in a covered battery stewardship plan approved by the commissioner published under section 115A.1335, subdivision 4;

(2) the brand is named as covered in the covered battery stewardship plan approved by the commissioner published under section 115A.1335, subdivision 4; or

(3) the covered battery stewardship organization with which the covered battery producer is a participant has obtained approval of reimbursement rates according to section 115A.1335.

(c) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state if the covered battery stewardship plan under which the covered battery was covered has been terminated under section 115A.1335, subdivision 5, until a new covered battery stewardship plan is approved under section 115A.1335, subdivision 4.

(d) This subdivision does not apply to sales, including online sales; offers for sale or promotional purposes; distribution; or facilitation of a sale of a used covered battery or used battery-containing product.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 10. Minnesota Statutes 2024, section 115A.554, is amended to read:

115A.554 AUTHORITY OF SANITARY DISTRICTS.

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; ~~115A.961;~~ 116.072; 375.18, subdivision 14; 400.04; 400.06; 400.07; 400.08; 400.16; and 400.161.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 11. Minnesota Statutes 2024, section 115A.9157, is amended to read:

115A.9157 RECHARGEABLE BATTERIES AND PRODUCTS.

Subdivision 1. **Definition.** ~~For the purpose of this section, "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead acid battery, or any other rechargeable battery, except a rechargeable battery governed by section 115A.9155 or exempted by the commissioner under subdivision 9.~~ The terms used in this section have the meanings given in sections 115A.03 and 115A.1331.

Subd. 2. **Prohibition.** ~~Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.~~ A person may not place a product powered by rechargeable batteries in solid waste unless all batteries have been removed from the product.

Subd. 3. **Collection and management costs.** A manufacturer of ~~rechargeable batteries or~~ products powered by rechargeable batteries that are not easily removable from the products is responsible for the costs of collecting and managing its ~~waste rechargeable batteries and waste~~ products under subdivision 5 to ensure that the products and batteries are not part of the solid waste stream.

Subd. 5. **Collection and management programs.** (a) ~~By September 20, 1995, the manufacturers~~ A manufacturer under subdivision 3 or their representative organization shall implement a permanent ~~programs, based on the results of the pilot projects required in Minnesota Statutes 1994, section 115A.9157, subdivision 4,~~ program that may be reasonably expected to collect 90 percent of the ~~waste rechargeable batteries and the~~ participating ~~manufacturers'~~ manufacturer's products powered by rechargeable batteries that are not easily removable from the products and that are generated as waste in the state. The ~~batteries and~~ products collected must be recycled or otherwise managed or disposed of properly.

(b) In every odd-numbered year ~~after 1995~~, each manufacturer or a representative organization shall provide information to the commissioner and the senate and house of representatives committees having jurisdiction over environment and natural resources and environment and natural resources finance that specifies at least the estimated amount of battery-containing products powered by rechargeable batteries that are not easily removed from the products subject to this section ~~sold~~ generated as waste in the state by ~~each~~ manufacturer ~~and~~, the amount of ~~batteries each~~ such products collected during the previous two years, and the methodology used to calculate those amounts. A representative organization may report the amounts in aggregate for all the members of the organization.

Subd. 6. ~~**List of participants**~~ **Program notice.** A manufacturer or its representative organization shall inform the commissioner and the committees listed in subdivision 5 when they begin ~~participating in the projects and programs~~ implementing a program under subdivision 5 and immediately if they ~~withdraw participation~~ stop implementing a program.

Subd. 7. **Contracts.** A manufacturer or a representative organization of manufacturers may contract with ~~the state or a political subdivision~~ any person to provide collection services under this section. The manufacturer or organization shall fully reimburse the ~~state or political subdivision~~ person for the value of any contractual services rendered under this subdivision.

Subd. 8. **Anticompetitive conduct.** A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in ~~projects or programs to collect and properly manage waste rechargeable batteries or products powered by rechargeable batteries~~ a program under this section are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of ~~batteries and~~ products required under this section.

~~Subd. 9. **Exemptions.** To ensure that new types of batteries do not add additional hazardous or toxic materials to the mixed municipal solid waste stream, the commissioner of the agency may exempt a new type of rechargeable battery from the requirements of this section if it poses no unreasonable hazard when placed in and processed or disposed of as part of a mixed municipal solid waste.~~

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 116.92, subdivision 6, is amended to read:

Subd. 6. **Mercury thermometers prohibited.** (a) A manufacturer, wholesaler, or retailer may not sell or distribute at no cost a thermometer containing mercury that was manufactured after June 1, 2001.

(b) Paragraph (a) does not apply to an electronic thermometer with a battery containing mercury if the battery is in compliance with ~~section 325E.125~~ subdivision 8l.

(c) A manufacturer is in compliance with this subdivision if the manufacturer:

(1) has received an exclusion or exemption from a state that is a member of the Interstate Mercury Education and Reduction Clearinghouse (IMERC) for replacement parts when no alternative is available or for an application when no feasible alternative is available;

(2) submits a copy of the approved exclusion or exemption to the commissioner; and

(3) meets all of the requirements in the approved exclusion or exemption for the manufacturer's activities within the state.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 13. Minnesota Statutes 2024, section 116.92, is amended by adding a subdivision to read:

Subd. 8l. **Ban; mercury in batteries.** A person may not sell, offer for sale, or distribute in or into the state:

(1) an alkaline manganese battery that contains mercury that is not a button cell nonrechargeable battery;

(2) a nonrechargeable button cell battery that contains more than 25 milligrams of mercury; or

(3) a dry cell battery containing a mercuric oxide electrode.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 14. Minnesota Statutes 2024, section 325E.125, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** ~~A manufacturer of rechargeable batteries or products powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157~~ A person may not sell, including online sales, facilitate a sale of, distribute, or offer for sale in or into this state rechargeable batteries or products powered by rechargeable batteries ~~after January 1, 1992.~~

~~After January 1, 1992, a person who first purchases rechargeable batteries or products powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or products powered by rechargeable batteries made by any person other than a~~ that are not easily removable unless the manufacturer ~~that~~ participates in the ~~projects and programs~~ program required under section 115A.9157.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 325E.1251, subdivision 2, is amended to read:

Subd. 2. **Recovery of costs.** Section 325E.125 may be enforced under ~~section~~ sections 115.071 and 116.072. In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 16. **REPEALER.**

Minnesota Statutes 2024, sections 115A.9155; 115A.961, subdivisions 1, 2, and 3; 325E.125, subdivisions 1, 2, 2a, 3, and 4; and 325E.1251, subdivision 1, are repealed."

Amend the title numbers accordingly

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 1857: A bill for an act relating to commerce; prohibiting persons from allowing minors to access chatbots for conversational purposes; providing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 325M.

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

Page 2, after line 1, insert:

"AI companion does not include a consumer electronic device that incorporates a speaker and voice command interface or text interface and acts as a voice- or text-activated virtual assistant."

Page 2, line 5, after the period, insert "Chatbot does not include a consumer electronic device that incorporates a speaker and voice command interface or text interface and acts as a voice- or text-activated virtual assistant."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4687: A bill for an act relating to consumer protection; removing deposit limit on the consumer protection restitution account; setting distribution limits; amending Minnesota Statutes 2025 Supplement, section 8.37, subdivisions 3, 5.

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

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

S.F. No. 3650: A bill for an act relating to commerce; prohibiting the advertisement of prescription drugs on television; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, line 8, before the period, insert ", except that prescription drug only includes drugs covered by the medical assistance program, MinnesotaCare program, or state employees group insurance program"

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

Senator Carlson from the Committee on Elections, to which was referred

S.F. No. 4006: A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; making technical and clarifying changes; appropriating money; amending Minnesota Statutes 2024, sections 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.065; 204B.27, subdivision 2; 204C.26, subdivisions 2, 4; Minnesota Statutes 2025 Supplement, sections 203B.30, subdivisions 2, 3; 375.20; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 2024, section 5.31.

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 2024, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121 and the municipality must determine whether the municipality's office will be designated to administer voting under section 203B.081 starting on the 46th day before the election or the 18th day before the election.

(b) A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting.

(c) A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any ~~municipal~~ clerk who will be administering the provisions of this section and the duties that the clerk will administer.

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

Sec. 2. Minnesota Statutes 2024, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The county auditor, municipal clerk, school district clerk, or full-time clerk of any city or town administering an election pursuant to section 203B.05, shall mail

absentee ballots to voters on the permanent absentee ballot list pursuant to section 203B.04, subdivision 5, on the following timelines:

(1) except as otherwise provided by this section, at least 46 days before each regularly scheduled primary and general election and each special primary and special election;

(2) as soon as practicable for a special election held pursuant to section 204D.19, subdivisions 2 and 3; and

(3) at least 30 days before a town general election held in March.

(b) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

(c) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4~~, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of an assisted living facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4~~.

(d) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

Sec. 3. Minnesota Statutes 2024, section 203B.065, is amended to read:

203B.065 USING THE REGISTRATION SYSTEM.

Subdivision 1. **Applicability.** A clerk administering absentee ballots pursuant to this section must meet the requirements of section 203B.05, subdivision 1, paragraph (c).

Subd. 2. **Use of the statewide voter registration system.** (a) Upon accepting an application for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in the statewide voter registration system the voter's name, date of birth, address of residence in Minnesota, mailing address, Minnesota driver's license or state identification number, or the last four digits of the voter's Social Security number, if provided by the voter. Upon acceptance of an absentee ballot application of a voter who is registered to vote at an address different from the residential address certified on the absentee ballot application, the voter registration record with the previous address shall be challenged. Once the absentee ballot has been transmitted to the voter, the method of transmission and the date of transmission must be recorded.

(b) Upon receipt of a returned absentee ballot for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in the statewide voter registration system that the voter has returned the ballot.

(c) Upon receipt of notice that the ballot board has accepted or rejected the absentee ballot for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in the statewide voter registration system whether the ballot was accepted or rejected, and if rejected, the reason for rejection. If a replacement ballot is transmitted to the voter, the county auditor or municipal clerk shall record this in the statewide voter registration system.

(d) The labels provided for envelopes used for transmitting an absentee ballot to and from an applicant for an absentee ballot for a ~~state~~ primary or ~~state~~ general election must contain bar codes generated by the statewide voter registration system to facilitate the recording required under this section. A county auditor or municipal clerk entering information into the statewide voter registration system under this section must include the information provided on the bar code label whenever information is entered into the system.

(e) A town clerk may, but is not required to, use the statewide voter registration system as provided in this section for a town election held in March.

EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment. Subdivision 2 is effective September 1, 2027.

Sec. 4. Minnesota Statutes 2025 Supplement, section 203B.30, subdivision 2, is amended to read:

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote must register and a voter whose name or address has changed must update the voter's registration in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The early voting official must maintain a printed copy of the voter certificate. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 5. Minnesota Statutes 2025 Supplement, section 203B.30, subdivision 3, is amended to read:

Subd. 3. **Processing of ballots.** Each day when early voting occurs, the early voting officials must:

(1) remove and secure ballots cast, noting the date, voting location, and number of ballots cast;

(2) without inspecting the ballots, using the procedures in section 204C.20, subdivisions 1 to 4, ensure that the number of ballots removed from the ballot box is equal to the number of voter certificates that were signed by voters in subdivision 2, paragraph (b); and

(3) seal and secure all voted and unvoted ballots and signed voter certificates present in that location at the end of the day.

The ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 6. Minnesota Statutes 2024, section 204B.27, subdivision 2, is amended to read:

Subd. 2. **Election law and instructions.** The secretary of state shall prepare and publish a volume containing all state general laws relating to elections. The attorney general shall provide annotations to the secretary of state for this volume. On or before ~~August 1 of every odd-numbered~~ July 15 of each year the secretary of state shall ~~furnish to the county auditors and municipal clerks enough copies of this volume so that each county auditor and municipal clerk will have at least one copy. On or before July 1 of every even-numbered year, the secretary of state shall~~ prepare and make an electronic copy of this volume available on the office's website. The secretary of state may prepare and transmit to the county auditors and municipal clerks detailed written instructions for complying with election laws relating to the conduct of elections, conduct of voter registration and voting procedures.

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

Sec. 7. Minnesota Statutes 2024, section 204C.26, subdivision 2, is amended to read:

Subd. 2. **Summary statements; contents.** (a) The blank summary statement forms furnished to each precinct shall identify the precinct, ward number if any, city, school district if applicable, or town, date, and kind of election and, under appropriate headings identifying ~~each color ballot~~, shall contain spaces for the election judges to enter the information required by section 204C.24, subdivision 1.

(b) Each blank summary statement form shall also contain a certificate to be signed by the election judges stating that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

Sec. 8. Minnesota Statutes 2024, section 204C.26, subdivision 4, is amended to read:

Subd. 4. **Envelopes for counted ballots.** Each official responsible for printing ballots shall also furnish envelopes to contain those ballots after they have been counted. The envelopes shall be made of heavy paper, printed or marked to distinguish ~~the color of~~ the ballots to be contained in them. They shall be of convenient size to hold the ballots and shall be furnished at the same time and in the same manner as the ballots.

Sec. 9. Minnesota Statutes 2024, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the third and ~~tenth~~ 14th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each municipal office and the results of ~~the election~~ any ballot questions. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each town office and the results of ~~the election~~ any ballot question within two days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the third and ~~tenth~~ 14th days after a school district election ~~other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59~~, the school board shall canvass the returns and declare the candidate duly elected who received the highest number of votes for each school district office and the results of ~~the election~~ any ballot question. The recounted results of a referendum conducted under section 126C.17, subdivision 9, or 475.59 must be certified by the canvassing board. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

Sec. 11. Minnesota Statutes 2025 Supplement, section 375.20, is amended to read:

375.20 BALLOT QUESTIONS.

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "Shall (here state the substance of the resolution to be submitted)?, Yes ..... No.....,". The county board may call a special county election upon a question to be held ~~within~~ at least 84 days after a resolution to that effect is adopted by the county board. The special election must be held on a uniform election date established in section 205.10, subdivision 3a. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to elections held on or after September 1, 2026.

Sec. 12. **NOTIFICATION TO ADMINISTER VOTING.**

Notwithstanding Minnesota Statutes, section 203B.05, for a municipality already designated to or that has already given notice of the intent to administer absentee voting, the municipality and

county must come to an agreement by June 12, 2026, and notify the secretary of state whether the municipality will administer absentee voting for the 46 days or 18 days before election day in the 2026 state primary.

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

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, section 5.31, is repealed."

Delete the title and insert:

"A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; making technical and clarifying changes; amending Minnesota Statutes 2024, sections 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.065; 204B.27, subdivision 2; 204C.26, subdivisions 2, 4; 205.185, subdivision 3; 205A.10, subdivision 3; Minnesota Statutes 2025 Supplement, sections 203B.30, subdivisions 2, 3; 375.20; repealing Minnesota Statutes 2024, section 5.31."

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

Senator Carlson from the Committee on Elections, to which was referred

S.F. No. 4223: A bill for an act relating to campaign finance; increasing certain reporting thresholds; clarifying certain deadlines and filing periods; making conforming changes for local candidates; making technical changes; amending Minnesota Statutes 2024, sections 10A.01, subdivision 24; 10A.07, subdivisions 1, 2; 10A.09, subdivisions 2, 5a, 6a; 10A.16; 10A.175, subdivisions 2, 3, 5; 10A.20, subdivisions 2, 2a, 3, 4; 10A.25, subdivision 10; 10A.27, subdivision 17; 10A.275, subdivision 1; Minnesota Statutes 2025 Supplement, section 10A.09, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

CAMPAIGN FINANCE AND FAIR CAMPAIGN PRACTICES POLICY

Section 1. Minnesota Statutes 2024, section 10A.01, subdivision 24, is amended to read:

Subd. 24. **Metropolitan governmental unit.** "Metropolitan governmental unit" means ~~any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2,~~ a regional railroad authority established by ~~one or more of those counties under section 398A.03, a city with a population of over 50,000 located in the seven-county metropolitan area,~~ a county in the metropolitan area as defined in section 473.121, subdivision 2; the Metropolitan Council~~, or a metropolitan agency as defined in section 473.121, subdivision 5a~~; the Metropolitan Parks and Open Space Commission; the Metropolitan Airports Commission; or the Minnesota Sports Facilities Authority.

Sec. 2. Minnesota Statutes 2024, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) The principal must report the total amount, rounded to the nearest $5,000, spent by the principal during the preceding calendar year on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of a political subdivision.

(c) For each type of lobbying listed in paragraph (b), the principal must report a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, finance professionals, studies, reports, analysis, compilation and dissemination of information, communications ~~and staff costs used for the purpose of urging members of the public to contact public or local officials to influence official actions~~, social media ~~and~~, public relations campaigns, and legal counsel used to support that type of lobbying in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal for that type of lobbying in this state.

~~(d) The principal must report disbursements made and obligations incurred that exceed $2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.~~

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

Sec. 3. **[10A.067] DISCLAIMER FOR LOBBYING MATERIAL.**

Subdivision 1. **Requirement.** (a) A paid advertisement that urges members of the public to contact public or local officials to influence a legislative or administrative action, or the official action of a political subdivision, must identify the individual or association responsible for the advertisement with a disclaimer substantially in the form provided in paragraph (b).

(b) The disclaimer must identify the name of the individual or association responsible for the content of the advertisement and either a phone number, actively monitored email address, or website that can be used to contact the individual or association.

Subd. 2. **Limitations.** The disclaimer requirement does not apply to advertisements that are campaign material, independent expenditures, or electioneering communications that contain the disclaimer required under section 10A.202 or 211B.04. This section does not apply to advertisements placed on the items listed in section 211B.04, subdivision 3, paragraph (c).

Subd. 3. **Exception.** The disclaimer required in this section is not required for communications between an association and its membership. An individual or association that is not required to file a report under section 10A.04 covering any portion of the year in which the advertisement is disseminated does not need to comply with the requirements of this section.

Subd. 4. **Size, duration, and location.** (a) For written advertisements other than an outdoor sign, website, or social media advertisement, the disclaimer must be printed in 8-point font or larger and provided in black text, or in color text that is in high contrast, on a white background.

(b) Disclaimers on websites and social media must be clearly legible without manual adjustment or magnification by the user.

(c) Audiovisual advertisements must display the disclaimer for a minimum of four seconds at the end of the advertisement.

(d) Advertisements that only consist of audio must contain a disclaimer that is delivered at a volume, speed, and cadence that can be easily understood.

(e) For signs that are smaller than two feet by three feet, the disclaimer must be printed in 12-point font or larger and provided in black text, or in color text that is in high contrast, on a white background.

(f) For signs larger than two feet by three feet and smaller than four feet by eight feet, the disclaimer must be at least one inch tall and printed in black text, or in color text that is in high contrast, on a white background.

(g) For signs larger than four feet by eight feet, the disclaimer must be at least six inches tall and printed in black text, or in color text that is in high contrast, on a white background.

Subd. 5. **Penalties.** The board may impose a civil penalty of up to $3,000 on an individual or association that fails to provide the disclaimer required by this section.

Sec. 4. Minnesota Statutes 2024, section 10A.07, subdivision 1, is amended to read:

Subdivision 1. **Disclosure of potential conflicts.** (a) A public official or a local official elected to or appointed by a metropolitan governmental unit or political subdivision who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, must take the following actions:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;

(2) deliver copies of the statement to the official's immediate superior, if any; and

(3) if a member of the legislature or of the governing body of a metropolitan governmental unit or political subdivision, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official must orally inform the superior or the official body of service or committee of the body of the potential conflict.

(b) For purposes of this section, "financial interest" means any ownership or control in an asset that has the potential to produce a monetary return.

Sec. 5. Minnesota Statutes 2024, section 10A.07, subdivision 2, is amended to read:

Subd. 2. **Required actions.** (a) If the official is not a member of the legislature or of the governing body of a metropolitan governmental unit or political subdivision, the superior must assign the matter, if possible, to another employee who does not have a potential conflict of interest.

(b) If there is no immediate superior, the official must abstain, if possible, by assigning the matter to a subordinate for disposition or requesting the appointing authority to designate another to determine the matter. The official shall not chair a meeting, participate in any vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest.

(c) If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question.

(d) If an official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board and a local official must file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Sec. 6. Minnesota Statutes 2024, section 10A.08, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required.** (a) A public official or elected local official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the public official's initial appearance at a hearing. If the public official fails to disclose the participation by the date that the disclosure was due, the board may impose a late filing fee of $25 per day, not to exceed $1,000, starting on the day after the disclosure was due. The board must send notice by certified mail to a public official who fails to disclose the participation within ten business days after the disclosure was due that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

(b) A public official or elected local official required to disclose representation under this section shall provide the following information: name, address, and office held; name and address of each client represented at the hearing; the name of the individual, board, commission, or agency conducting the hearing and the date and location of the initial appearance at the hearing; and a general description of the subject or subjects on which the public official represented the client in the hearing.

Sec. 7. Minnesota Statutes 2025 Supplement, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. **Time for filing.** An individual must file a statement of economic interest:

(1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit or political subdivision;

(2) within 60 days of assuming office as a district court judge, appeals court judge, or supreme court justice~~, or county commissioner~~;

(3) within 14 days after the end of the filing period for a candidate who filed an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office in a metropolitan governmental unit ~~other than county commissioner~~ or political subdivision;

(4) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(5) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Sec. 8. Minnesota Statutes 2024, section 10A.09, subdivision 2, is amended to read:

Subd. 2. **Notice to board.** Notwithstanding section 204B.06, subdivision 1b, the secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public official required by this section to file a statement of economic interest, must notify the board of the name, mailing address, phone number, and email address of the individual required to file a statement and the date of the affidavit, petition, appointment, or nomination. For candidates, the source of the data must be the affidavit of candidacy.

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

Sec. 9. Minnesota Statutes 2024, section 10A.09, subdivision 5a, is amended to read:

Subd. 5a. **Original statement; reporting period.** (a) An original statement of economic interest required under subdivision 1, clause (1), must cover the calendar month before the month in which the individual accepted employment as a public official or a local official in a metropolitan governmental unit or political subdivision.

(b) An original statement of economic interest required under subdivision 1, clauses (2), (4), and (5), must cover the calendar month before the month in which the individual assumed or undertook the duties of office.

(c) An original statement of economic interest required under subdivision 1, clause (3), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy.

Sec. 10. Minnesota Statutes 2024, section 10A.09, subdivision 6a, is amended to read:

Subd. 6a. **Place of filing.** A public official required to file a statement under this section must file it with the board. A local candidate or local official required to file a statement under this section must file it with the governing body of the official's political subdivision. The governing body must maintain statements filed with it under this subdivision as public data. If an official position is defined as both a public official and as a local official of a metropolitan governmental unit or political subdivision under this chapter, the official must file the statement, other than a local candidate statement, with the board.

Sec. 11. Minnesota Statutes 2024, section 10A.16, is amended to read:

10A.16 EARMARKING CONTRIBUTIONS PROHIBITED.

An individual, political committee, political fund, principal campaign committee, or party unit may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate or local candidate other than the initial recipient. An individual, political committee, political fund, principal campaign committee, or party unit that knowingly accepts any earmarked contribution is subject to a civil penalty imposed by the board of up to $3,000. Knowingly accepting any earmarked contribution is a gross misdemeanor.

Sec. 12. Minnesota Statutes 2024, section 10A.175, subdivision 2, is amended to read:

Subd. 2. **Agent.** "Agent" means a person serving during an election segment as a candidate's or local candidate's chairperson, deputy chairperson, treasurer, deputy treasurer, or any other person whose actions are coordinated.

Sec. 13. Minnesota Statutes 2024, section 10A.175, subdivision 3, is amended to read:

Subd. 3. **Candidate.** "Candidate" means a candidate or local candidate as defined in section 10A.01, ~~subdivision~~ subdivisions 10 and 10d, ~~the candidate's~~ a principal campaign committee, or the candidate's or local candidate's agent.

Sec. 14. Minnesota Statutes 2024, section 10A.175, subdivision 5, is amended to read:

Subd. 5. **Coordinated.** "Coordinated" means with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of the candidate or local candidate. A coordinated expenditure is an approved expenditure under section 10A.01, subdivision 4.

Sec. 15. Minnesota Statutes 2024, section 10A.176, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) An expenditure described in this section that expressly advocates for the election of the candidate or the defeat of the candidate's opponent is a coordinated expenditure and is not independent under section 10A.01, subdivision 18.

(b) A disbursement described in this section that would otherwise meet the definition of electioneering communication is a coordinated expenditure and is not an electioneering communication under sections 10A.201 to 10A.202.

EFFECTIVE DATE. This section is effective August 12, 2026.

Sec. 16. Minnesota Statutes 2024, section 10A.177, is amended to read:

10A.177 NONCOORDINATED EXPENDITURES.

Any of the following actions, taken alone, do not establish that an expenditure made by the spender is coordinated with the candidate:

(1) a candidate asks a spender not to make any expenditure to support the candidate or oppose the candidate's opponent or any disbursement for an electioneering communication that references the candidate or the candidate's opponent;

(2) a candidate provides to a spender names of potential donors, as long as the spender does not state or suggest to the candidate that funds received from use of the donor list will be used for independent expenditures to benefit the candidate;

(3) an expenditure uses a photograph, video, or audio recording obtained from a publicly available source or public event;

(4) an expenditure uses information obtained from a biography, position paper, press release, or similar material about the candidate from a publicly available source or public event;

(5) the spender contributes to the candidate, makes an in-kind donation to the candidate, or endorses the candidate;

(6) an expenditure includes a hyperlink to the candidate's website or social media page;

(7) an expenditure appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication;

(8) the spender discusses the candidate's position on a legislative or policy matter with the candidate. This clause includes the sending, completion, and return of a survey conducted by the spender to determine whether to endorse the candidate; or

(9) the spender invites the candidate to appear before the spender's members, employees, or shareholders, including the candidate's participation in the event, unless the event promotes the election of the candidate or the defeat of the candidate's opponent, or the candidate requests or accepts campaign contributions at the event.

EFFECTIVE DATE. This section is effective August 12, 2026.

Sec. 17. Minnesota Statutes 2024, section 10A.20, subdivision 2, is amended to read:

Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before January 31 of each year and additional reports must be filed as required and in accordance with paragraphs (b) to (f).

(b) In each year in which the name of a candidate for legislative or district court judicial office is on the ballot, the report of the principal campaign committee must be filed 15 days before a primary election and ten days before a general election, seven days before a special primary election and seven days before a special general election, and ten days after a special election cycle. Notwithstanding the deadlines, if a special primary election is held on the second Tuesday in August, the report of the principal campaign committee must be filed 15 days before the special primary election, and if a special general election is held on the first Tuesday after the first Monday in November, the report of the principal campaign committee must be filed ten days before the special general election. If the committee received contributions or made expenditures or noncampaign disbursements prior to the start of the special election cycle, the principal campaign committee of a special election candidate must file a report seven days after the close of the candidate filing period for the special election.

(c) In each general election year, a political committee, a political fund, a state party committee, and a party unit established by all or a part of the party organization within a house of the legislature must file reports on the following schedule:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a pre-primary-election report due 15 days before a primary election;

(4) a pre-general-election report due 42 days before the general election; and

(5) a pre-general-election report due ten days before a general election.

(d) In each general election year, a party unit not included in paragraph (c) must file reports 15 days before a primary election and ten days before a general election.

(e) In each year in which a constitutional office or appellate court judicial seat is on the ballot, the principal campaign committee of a candidate for that office or seat must file reports on the following schedule:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a pre-primary-election report due 15 days before a primary election;

(4) a pre-general-election report due 42 days before the general election;

(5) a pre-general-election report due ten days before a general election; and

(6) for a special election, a constitutional office candidate whose name is on the ballot must file reports seven days before a special primary election, seven days before a special general election, and ten days after a special election cycle.

(f) Notwithstanding paragraphs (a) to (e):

(1) the principal campaign committee of a candidate who did not file for office is not required to file the report due June 14, the report due 15 days before the primary election, or the report due ~~seven days~~ before a special primary election; and

(2) the principal campaign committee of a candidate whose name will not be on the general election ballot is not required to file the report due 42 days before the general election, the report due ten days before a general election, or the report due ~~seven days~~ before a special general election.

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

Sec. 18. Minnesota Statutes 2024, section 10A.20, subdivision 2a, is amended to read:

Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:

(1) spends in aggregate more than $200 to influence the nomination or election of local candidates;

(2) spends in aggregate more than $200 to make independent expenditures on behalf of local candidates; ~~or~~

(3) spends in aggregate more than $200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2)~~, (3), or (4)~~.; or

(4) makes in aggregate more than $200 in donations in kind consisting of (i) independent expenditures advocating the election or defeat of local candidates, or (ii) expenditures to promote or defeat ballot questions as defined in section 10A.01, subdivision 7, clause (2).

(b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:

(1) a first-quarter report covering the calendar year through March 31, which is due April 14;

(2) a report covering the calendar year through May 31, which is due June 14;

(3) a July report due 15 days before the local primary election date specified in section 205.065;

(4) a pre-general-election report due 42 days before the local general election; and

(5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph and subdivision 5 begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The July report required under clause (3) is required for all entities required to report under

paragraph (a), regardless of whether the candidate or issue is on the primary ballot or a primary is not conducted.

Sec. 19. Minnesota Statutes 2024, section 10A.20, subdivision 3, is amended to read:

Subd. 3. **Contents of report.** (a) The report required by this section must include each of the items listed in paragraphs (b) to (q) that are applicable to the filer. The board shall prescribe forms based on filer type indicating which of those items must be included on the filer's report.

(b) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

(c) The report must disclose the name~~,~~; address~~,~~; employer~~,~~ or occupation if self-employed~~,~~; and registration number, if registered with the board, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fundraising effort, that in aggregate within the year exceed $200 ~~for legislative or statewide candidates,~~ or ~~more than~~ $500 ~~for~~ if the reporting entity is a ballot ~~questions, together with~~ question political committee or fund. For individuals or associations exceeding the aggregate threshold, the amount and date of each contribution, and the aggregate amount of contributions within the year from ~~each~~ that source ~~so~~ must be disclosed in the report. A donation in kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

(d) The report must disclose the sum of contributions to the reporting entity during the reporting period.

(e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of $200, or $500 if the reporting entity is a ballot question political committee or fund, continuously reported until repaid or forgiven, together with the name, address, occupation, principal place of business, if any, and registration number if registered with the board of the lender and any endorser and the date and amount of the loan. If a loan ~~made to the principal campaign committee of a candidate~~ is forgiven or is repaid by an entity other than ~~that principal campaign committee~~ the borrower, it must be reported as a contribution for the year in which the loan was made.

(f) The report must disclose each receipt over $200, or $500 if the reporting entity is a ballot question political committee or fund, during the reporting period not otherwise listed under paragraphs (c) to (e).

(g) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(h) The report must disclose the name, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures,

independent expenditures, and ballot question expenditures have been made by or on behalf of the reporting entity within the year in excess of $200, together with the amount, date, and purpose of each expenditure, including an explanation of how the expenditure was used, and the name and address of, and office sought by, each candidate or local candidate on whose behalf the expenditure was made, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in support of or opposition to a candidate or local candidate, the candidate's or local candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate or local candidate must allocate the expenditure among the candidates and local candidates on a reasonable cost basis and report the allocation for each candidate or local candidate. The report must list on separate schedules any independent expenditures made on behalf of local candidates and any expenditures made for ballot questions as defined in section 10A.01, subdivision 7, clause (2)~~, (3), or (4)~~.

(i) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

(j) If the advance of credit was required to be itemized as an expenditure in the period in which it was incurred, the report must disclose the amount and nature of an advance of credit incurred by the reporting entity, continuously reported until paid or forgiven. If an advance of credit ~~incurred by the principal campaign committee of a candidate~~ is forgiven by the creditor or paid by an entity other than ~~that principal campaign committee~~ the debtor, it must be reported as a donation in kind for the year in which the advance of credit was made.

(k) The report must disclose the name, address, and registration number if registered with the board of each political committee, political fund, principal campaign committee, local candidate, or party unit to which contributions have been made that aggregate in excess of $200 within the year and the amount and date of each contribution. The report must list on separate schedules any contributions made to state candidates' principal campaign committees and any contributions made to local candidates.

(l) The report must disclose the sum of all contributions made by the reporting entity during the reporting period and must separately disclose the sum of all contributions made to local candidates by the reporting entity during the reporting period.

(m) The report of a principal campaign committee must disclose the name, address, and registration number if registered with the board of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of $200 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement, including an explanation of how the expenditure was used.

(n) The report of a principal campaign committee must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

(o) The report must disclose the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate fair market value

of each type of assistance provided to the political committee or political fund during the reporting period.

(p) ~~Legislative, statewide, and judicial candidates, party units, and political committees and funds must itemize~~ Contributions that in aggregate within the year exceed $200 ~~for legislative or statewide candidates~~, or ~~more than~~ $500 ~~for~~ if the reporting entity is a ballot ~~questions~~ question political committee or fund, must be itemized on reports submitted to the board. The itemization must include the date on which the contribution was received, the individual or association that provided the contribution, and the address of the contributor. Additionally, the itemization for a donation in kind must provide a description of the item or service received. Contributions that are less than the itemization amount must be reported as an aggregate total.

(q) ~~Legislative, statewide, and judicial candidates, party units, political committees and funds, and committees to promote or defeat a ballot question must itemize~~ Expenditures and noncampaign disbursements that in aggregate exceed $200 in a calendar year must be itemized on reports submitted to the board. The itemization must include the date on which the committee made or became obligated to make the expenditure or disbursement, the name and address of the vendor that provided the service or item purchased, and a description of the service or item purchased, including an explanation of how the expenditure was used. Expenditures and noncampaign disbursements must be listed on the report alphabetically by vendor.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 10A.20, subdivision 4, is amended to read:

Subd. 4. **Period of report.** (a) A report must cover the period from January 1 of the reporting year to seven days before the report filing date, except that the report due on January 31 must cover the period from January 1 to December 31 of the reporting year.

(b) Notwithstanding paragraph (a), the report of the principal campaign committee of a special election candidate due seven days after the close of the filing period to be on the ballot must cover the period from January 1 of the reporting year to the day prior to the start of the special election cycle.

(c) Notwithstanding paragraph (a), the reports of the principal campaign committee of a special election candidate due seven days before a special primary election and seven days before a special general election must cover the period from the start of the special election cycle to seven days before the report filing date.

(d) Notwithstanding paragraph (a), the report of the principal campaign committee of a special election candidate due ten days after a special election cycle must cover the period from the start of the special election cycle to the end of the special election cycle.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 21. Minnesota Statutes 2024, section 10A.201, subdivision 6, is amended to read:

Subd. 6. **Electioneering communication.** (a) "Electioneering communication" means any broadcast, cable, satellite, telephone, or digital communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed within 60 days before a general election for the office sought by the candidate, within 30 days before a primary election for the office sought by the candidate, or within 30 days before a convention of a political party unit that has authority to endorse a candidate for the office sought by the candidate; and

(3) is targeted to the relevant electorate.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, satellite television, or radio station, by telephone, in a digital format online, or by other electronic means;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132 (a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter, and is not a coordinated expenditure;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum;

(5) is paid for by a candidate;

(6) is a noncommercial solicitation for the purposes of opinion research, including but not limited to opinion research designed for understanding the impact of exposure to political messages and content, provided that the solicitation is not designed to influence respondents' views by presenting biased or manipulative content under the guise of it being an opinion poll, survey, or other form of scientific data collection; or

(7) is a communication disseminated by telephone, in a digital format online, or by other electronic means that the recipient has affirmatively and voluntarily consented to receive from the sender.

(c) If a disbursement is a coordinated expenditure under section 10A.176, it is not an electioneering communication.

EFFECTIVE DATE. This section is effective August 12, 2026.

Sec. 22. Minnesota Statutes 2024, section 10A.202, subdivision 4, is amended to read:

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer in the same manner as required for campaign material under section 211B.04, subdivision ~~1, paragraph (c)~~ 2, except that the phrase "independent expenditure" must be replaced with "electioneering communication".

EFFECTIVE DATE. This section is effective August 12, 2026.

Sec. 23. Minnesota Statutes 2024, section 10A.25, subdivision 10, is amended to read:

Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a spending limit agreement under section 10A.322, a candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period before the primary election, receipts or expenditures equal to 20 percent of the election segment expenditure limit for that office as set forth in subdivision 2; or

(2) after the close of the reporting period before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the election cycle expenditure limit for that office as set forth in subdivision 2.

Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A candidate who had agreed to be bound by the limits may also file a notice with the board that the candidate chooses to be no longer bound by the expenditure limits if an opponent that did not agree to be bound by the expenditure limits files a report of receipts and expenditures required under section 10A.20 that discloses that the candidate has reached one of the thresholds in paragraph (a). A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

(e) A candidate who fails to provide the notice required in paragraph (b) within the time specified is subject to a late filing fee of $100 per day, not to exceed $1,000, commencing on the day after the notice was due.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 24. Minnesota Statutes 2024, section 10A.27, subdivision 17, is amended to read:

Subd. 17. **Penalty.** (a) An association that makes a contribution under subdivision 15 and fails to provide the required statement within the time specified is subject to a late filing fee of $100 a day not to exceed $1,000, commencing the day after the statement was due. The board must send notice by certified mail that the individual or association may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution, but not to exceed $25,000.

(b) An independent expenditure political committee or ~~an independent expenditure political~~ fund or ballot question political committee or fund that files a report without including the statement required under subdivision 15 is subject to a late filing fee of $100 a day not to exceed $1,000, commencing the day after the report was due. The board must send notice by certified mail that the independent expenditure political committee or ~~independent expenditure~~ fund or ballot question political committee or fund may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution for which disclosure was not filed, but not to exceed $25,000.

(c) If an independent expenditure political committee or ~~an independent expenditure political~~ fund or ballot question political committee or fund has been assessed a late filing fee under this subdivision during the prior four years, the board may impose a late filing fee of up to twice the amount otherwise authorized by this subdivision. If an independent expenditure political committee or ~~an independent expenditure political~~ fund or ballot question political committee or fund has been assessed a late filing fee under this subdivision more than two times during the prior four years, the board may impose a late filing fee of up to three times the amount otherwise authorized by this subdivision.

(d) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 25. Minnesota Statutes 2024, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together are not considered contributions to or expenditures on behalf of a candidate or local candidate for the purposes of section 10A.25 ~~or~~, 10A.27, or 211A.12, and must not be allocated to candidates or local candidates under section 10A.20, subdivision 3, paragraph (h), (k), or (l):

(1) expenditures on behalf of candidates or local candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, Internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

(5) expenditures for a political party fundraising effort on behalf of three or more candidates or local candidates; or

(6) expenditures for party committee staff services that benefit three or more candidates or local candidates.

Sec. 26. Minnesota Statutes 2024, section 211B.04, subdivision 1, is amended to read:

Subdivision 1. **Campaign material.** (a) A person or committee who participates in the preparation or dissemination of campaign material ~~other than as provided in section 211B.05, subdivision 1,~~ that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) ~~or~~, (c), or (d) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph ~~(c)~~ (d) or subdivision 2, the required form of the disclaimer is: "~~Prepared and~~ Paid for by ~~the ..... committee, ...~~ (name of entity)(address)." ~~for material prepared and paid for by a principal campaign committee, or "Prepared and Paid for by the ..... committee, ... (address)" for material prepared and paid for by a person or committee other than a principal campaign committee.~~ The address must be ~~either~~ the ~~committee's~~ entity's mailing address, an actively monitored email address, or the ~~committee's~~ entity's website, if the website includes the ~~committee's~~ entity's mailing address or email address. If the material is produced and disseminated without cost, the words ~~"paid for" may be omitted from~~ "Prepared by" may be used in place of "Paid for by" in the disclaimer.

(c) In the case of a candidate's or principal campaign committee's website, the requirements of this subdivision are satisfied for all of the website pages when the disclaimer prominently appears once on the website.

~~(c)~~ (d) In the case of ~~broadcast~~ audio or video media, the required form of disclaimer is: "Paid for by ~~the ..... committee~~ (name of entity)." If the material is produced and ~~broadcast~~ disseminated without cost, the required form of the disclaimer is: "The ~~..... committee~~ (name of entity) is responsible for the content of this message."

(e) Campaign material posted on a website, including on a candidate's or principal campaign committee's website, that is provided in a format that can be easily redistributed must include a disclaimer.

EFFECTIVE DATE. Paragraph (b) is effective the day following final enactment. Paragraphs (a), (c), (d), and (e) are effective August 12, 2026.

Sec. 27. Minnesota Statutes 2024, section 211B.04, subdivision 2, is amended to read:

Subd. 2. **Independent expenditures.** (a) ~~The required form of the disclaimer on a written~~ A person or committee who participates in the preparation or dissemination of independent expenditure material that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b), (c), or (d) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (d), the required form of disclaimer on independent expenditure material is: "This is an independent expenditure prepared and paid for by ~~.....~~ (name of entity ~~participating in the expenditure~~), ~~.....~~ (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." The address must be ~~either~~ the entity's mailing address, an actively monitored email address, or the entity's website, if the website includes the entity's mailing address or email address. When a written independent expenditure is produced and disseminated without cost, the words "and paid for" may be omitted from the disclaimer.

~~(b)~~ (c) The required form of the disclaimer on ~~a broadcast~~ an audio or video media independent expenditure is: "This independent expenditure is paid for by ~~.....~~ (name of entity ~~participating in the expenditure~~). It is not coordinated with or approved by any candidate nor is any candidate responsible for it." When ~~a broadcast~~ an audio or video media independent expenditure is produced and disseminated without cost, the following disclaimer may be used: "~~.....~~ (name of entity ~~participating in the expenditure~~) is responsible for the ~~contents~~ content of this independent expenditure. It is not coordinated with or approved by any candidate nor is any candidate responsible for it."

(d) Material which is an independent expenditure that is posted on a website and is provided in a format that can be easily redistributed must include a disclaimer.

EFFECTIVE DATE. Paragraph (a) is effective August 12, 2026, and applies to crimes committed on or after that date. Paragraph (b) is effective the day following final enactment. Paragraphs (c) and (d) are effective August 12, 2026.

Sec. 28. Minnesota Statutes 2024, section 211B.04, subdivision 3, is amended to read:

Subd. 3. **Material that does not need a disclaimer.** (a) This section does not apply to fundraising tickets, business cards, personal letters, or similar items that are clearly being distributed by the candidate.

(b) This section does not apply to an individual or association that is not required to register or report under chapter 10A or 211A.

(c) This section does not apply to the following:

(1) bumper stickers, pins, buttons, pens, or similar small items on which the disclaimer cannot be conveniently printed;

(2) skywriting, wearing apparel, or other means of displaying an advertisement of such a nature that the inclusion of a disclaimer would be impracticable; and

(3) ~~online banner ads and similar~~ electronic communications ~~that~~ for which it would be technologically infeasible. The communication must state the name of the person who paid for, or in the case of a communication that is produced and disseminated without cost, who is responsible for the communication and link directly to an online page that ~~includes~~ prominently displays the disclaimer. The person who paid for or is responsible for the communication must, at the request of the Campaign Finance and Public Disclosure Board or the Court of Administrative Hearings, demonstrate why it was technologically infeasible to include a disclaimer in the form required by subdivision 1 or 2.

~~(d) This section does not modify or repeal section 211B.06.~~

Sec. 29. Minnesota Statutes 2024, section 211B.04, subdivision 5, is amended to read:

Subd. 5. ~~**Font size**~~ **Size, duration, and location.** (a) For written communications other than an outdoor sign, website, or social media page, the disclaimer must be printed in 8-point font or larger and provided in black text, or in color text that is in high contrast, on a white background.

(b) Disclaimers on websites and social media must be clearly legible without manual adjustment or magnification by the user.

(c) Audiovisual advertisements must display the disclaimer for a minimum of four seconds at the end of the advertisement.

(d) Advertisements that only consist of audio must contain a disclaimer that is delivered at a volume, speed, and cadence that can be easily understood.

(e) For signs that are smaller than two feet by three feet, the disclaimer must be printed in 12-point font or larger and provided in black text, or in color text that is in high contrast, on a white background.

(f) For signs larger than two feet by three feet and smaller than four feet by eight feet, the disclaimer must be at least one inch tall and printed in black text, or in color text that is in high contrast, on a white background.

(g) For signs larger than four feet by eight feet, the disclaimer must be at least six inches tall and printed in black text, or in color text that is in high contrast, on a white background.

(h) Paragraphs (e) to (g) apply to signs printed on or after January 1, 2027. Signs printed prior January 1, 2027, that do not comply with paragraphs (e) to (h) may continue to be used after that date and are not in violation of this section.

Sec. 30. Minnesota Statutes 2025 Supplement, section 211B.066, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) Except as otherwise provided in this paragraph, any person or entity that mails an absentee ballot application or sample ballot to anyone in the state must comply with

this section. This section does not apply to a unit of government or employee of that unit of government when discharging official election duties.

(b) The person or entity mailing the absentee ballot application or sample ballot must include the following statement: "This mailing is not an official election communication from a unit of government. This [absentee ballot application or sample ballot] has not been included at the request of a government official." If a sample ballot is enclosed, the statement must also include the following: "This is a sample ballot, not an official ballot. You cannot cast the enclosed sample ballot."

(c) The statement required in paragraph (b) must be printed in a typeface and format designed to be clearly visible at the time the mailing is opened. The person or entity sending the sample ballot or absentee ballot application must include the person or entity's name and street address in the return address position on the mailing envelope.

(d) If an absentee ballot application is included, the fields on the application, including the space on the application to indicate the applicant's preference to join the permanent absentee voter list, must be left blank and may only be filled in or marked by the applicant. Nothing in this section prohibits the person or entity mailing the absentee ballot application from highlighting the required fields.

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

Sec. 31. Minnesota Statutes 2024, section 211B.075, subdivision 5, is amended to read:

Subd. 5. **Criminal penalties; civil remedies.** (a) A person who violates this section is guilty of a ~~gross misdemeanor~~ felony.

(b) The attorney general, a county attorney, or any person injured by an act prohibited by this section may bring a civil action to prevent or restrain a violation of this section if there is a reasonable basis to believe that an individual or entity is committing or intends to commit a prohibited act.

(c) The attorney general, a county attorney, or any person injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by any person under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to ~~$1,000~~ $10,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to crimes committed on or after that date and to causes of action accruing on or after that date.

Sec. 32. Minnesota Statutes 2024, section 211B.076, subdivision 11, is amended to read:

Subd. 11. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a ~~gross misdemeanor~~ felony.

(b) The attorney general, a county attorney, or an election official may bring a civil action to prevent or restrain a violation of this section if there is a reasonable basis to believe that an individual or entity is committing or intends to commit a prohibited act.

(c) The attorney general, or an election official injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an election official under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to ~~$1,000~~ $10,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to crimes committed on or after that date and to causes of action accruing on or after that date.

Sec. 33. Minnesota Statutes 2024, section 383B.041, is amended by adding a subdivision to read:

Subd. 6. **Economic interest disclosure; Three Rivers Park District.** A candidate for park district board of commissioners in Three Rivers Park District must file an original statement of economic interest with Hennepin County within 14 days after the end of the candidate filing period. An elected official in Three Rivers Park District must file the annual statement required in section 10A.09, subdivision 6, with Hennepin County for each year the individual remains in office. An original statement and annual statement must contain the information listed in section 10A.09, subdivision 5. The provisions of section 10A.09, subdivisions 6a, 7, and 9, apply to statements required by this subdivision.

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

Sec. 34. **CAMPAIGN SPENDING LIMITS STUDY.**

The Campaign Finance and Public Disclosure Board must study the voluntary campaign spending limits as provided in this section. By January 15, 2027, the board must report to the chairs and ranking minority members of the legislative committees with jurisdiction over the board with the board's findings and recommendations. At a minimum, the board must study and report on:

(1) the number of candidates that participate in the public subsidy program, broken down by office;

(2) the number of candidates that do not participate in the public subsidy program, broken down by office;

(3) historic trend data for the past ten years for the information in clauses (1) and (2);

(4) for candidates that do not participate in the public subsidy program, how much the candidate and the candidate's opponent spends and how much is spent on independent expenditures in the race;

(5) how other states set voluntary campaign spending limits, including:

(i) if other states distinguish between highly contested races and other races in the amount of funding provided or spending allowed;

(ii) if other states have an automatic inflator on the subsidies and limits; and

(iii) the level of candidate participation over time in the programs; and

(6) any recommendations the board has regarding the current public subsidy program in Minnesota and whether the current spending limits are appropriate.

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

Sec. 35. **LOCAL CAMPAIGN FINANCE REPORTING STUDY AND PILOT PROJECT; REPORT.**

Subdivision 1. **Feasibility study.** The Campaign Finance and Public Disclosure Board must study the feasibility of permitting candidates for local office to use the board's reporting software to organize and track contributions, expenditures, and other data necessary to file reports required by Minnesota Statutes, chapter 211A. The study must assume that a candidate's obligation to file reports with the appropriate local filing officer will remain unchanged and that the board will have no jurisdiction over the candidate's activities or compliance with the reporting requirements.

Subd. 2. **Pilot project.** As part of the study required by this section, the board must conduct a pilot project that permits candidates in at least four local jurisdictions conducting a general election in 2028 to use the software. The jurisdictions selected must include at least one county election, one city election, and one school district election, and at least half of the jurisdictions must be located outside of the seven-county metropolitan area.

Subd. 3. **Required report.** The board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections describing the results of the study and pilot project, and any associated recommendations, no later than March 15, 2029.

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

Sec. 36. **WORKING GROUP ON LOCAL CANDIDATE CAMPAIGN FINANCE REPORTING.**

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

(b) "Board" means the Campaign Finance and Public Disclosure Board.

(c) "Candidate" means an individual who seeks nomination or election to a county, municipal, school district, or other political subdivision office. This definition does not include an individual seeking a judicial office.

(d) "Local campaign report" means any report that a candidate is required to file pursuant to Minnesota Statutes, chapter 211A.

Subd. 2. **Membership.** (a) The working group consists of the following 12 members:

(1) two members of the Campaign Finance and Public Disclosure Board affiliated with different political parties appointed by the board's chair;

(2) the executive director of the Campaign Finance and Public Disclosure Board;

(3) two members appointed by the League of Minnesota Cities, one of whom must be from a city of the fourth class;

(4) one member appointed by the Association of Minnesota Counties;

(5) one member appointed by the Minnesota Association of Townships;

(6) one member appointed by the Minnesota School Board Association;

(7) one senator appointed by the senate majority leader and one senator appointed by the senate minority leader; and

(8) one representative appointed by the speaker of the house and one representative appointed by the minority leader of the house of representatives.

(b) Appointments to the working group must be made within two weeks after the effective date of this section.

(c) Public member compensation and reimbursement for expenses are governed by Minnesota Statutes, section 15.059, subdivision 3. Notwithstanding Minnesota Statutes, section 15.0595, the source of payment for compensation and reimbursement of nonlegislative members of the working group is appropriations available to the Campaign Finance and Public Disclosure Board. Legislative members may receive per diem and be reimbursed for their expenses according to the rules of their respective bodies.

Subd. 3. **Chairs; meetings.** (a) The executive director of the board must convene the first meeting of the working group no later than six weeks after the effective date of this section. At the first meeting, members must elect a chair from among the legislative members of the working group members.

(b) Working group meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The Legislative Coordinating Commission must provide administrative support and meeting space for the working group. Upon request of the working group, the staff of the Campaign Finance and Public Disclosure Board must provide technical support.

Subd. 5. **Duties.** At a minimum, the working group must:

(1) examine and make recommendations on whether any or all local candidate campaign finance reports should be filed with the board instead of with a local filing officer;

(2) assess the extent to which local filing officers are currently able to provide support to local candidates and the public related to the local filing officers' duty to accept campaign finance reports from local candidates;

(3) review the reporting requirements for local candidates in Minnesota Statutes, chapter 211A, and any changes to those requirements that should be made, especially if the reports were to be filed with the board;

(4) study the impact of the potential increase of reports being made to the board in terms of budgetary and staffing needs and the ability of the board to support the local candidates in filing the reports;

(5) study local campaign finance reporting requirements and make any recommendations to changes in the laws; and

(6) propose draft legislation to implement any of the working group's recommendations.

Subd. 6. **Report.** No later than January 15, 2027, the working group must submit a written report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over elections. The report must outline a description of the working group's activities, how the working group addressed each duty described in subdivision 5, any recommendations made by the working group, and any proposed legislation recommended by the working group.

Subd. 7. **Expiration.** The working group expires upon submission of the report required under subdivision 6, or January 16, 2027, whichever is later.

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

Sec. 37. **REPEALER.**

Minnesota Rules, part 4503.2000, is repealed.

Sec. 38. **EFFECTIVE DATE.**

This article is effective January 1, 2027, unless otherwise specified.

ARTICLE 2

ADDRESS SECURITY AND SECURITY SPENDING

Section 1. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 1a. **Address.** "Address" means the complete mailing address, including the zip code. An individual may use either the individual's business address or home address. An association's address is the address from which the association conducts its business.

Sec. 2. Minnesota Statutes 2025 Supplement, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services related to operating the candidate's campaign committee, serving in office, or security for the candidate or the candidate's immediate family, including but not limited to seeking and obtaining a harassment restraining order;

(2) return of a contribution to the source;

(3) repayment of a loan made to the principal campaign committee by that committee;

(4) return of a public subsidy;

(5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fundraising event;

(6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;

(7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;

(8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

(9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(11) costs of child care for the candidate's children when campaigning;

(12) fees paid to attend a campaign school;

(13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(14) interest on loans paid by a principal campaign committee on outstanding loans;

(15) filing fees;

(16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;

(17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(18) contributions to a party unit;

(19) payments for funeral gifts or memorials;

(20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;

(21) costs associated with a candidate attending a political party state or national convention in this state;

(22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;

(23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;

(24) costs paid by a candidate's principal campaign committee to support the candidate's participation in a recount of ballots affecting the candidate's election;

(25) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(26) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(27) a donation from a terminating principal campaign committee to the state general fund;

(28) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office;

(29) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to ~~$3,000~~ $5,000 for:

(i) detection-related security monitoring expenses for a candidate, including home security hardware, maintenance of home security monitoring hardware, identity theft monitoring services, and credit monitoring services; and

(ii) purchase, installation, and maintenance of structural security devices such as locks, wiring, lighting, gates, doors, and fencing so long as such devices are intended solely to provide security and not to improve the property or increase its value;

(30) during a period starting January 1 in the year following a general election and ending on December 31 of the year of a general election, total payments of up to $25,000 for security services, including security services provided by a political party unit as an in-kind contribution;

(31) costs paid to repair or replace campaign property that was: (i) lost or stolen, or (ii) damaged or defaced to such a degree that the property no longer serves its intended purpose. For purposes of

this clause, campaign property includes but is not limited to campaign lawn signs. The candidate must document the need for these costs in writing or with photographs; and

~~(31)~~ (32) transition expenses and inaugural event expenses as defined in section 10A.174.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 3. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 35d. **Security services.** (a) "Security services" means threat assessments, security guards, or guest screening services needed to address specific security concerns that result from the individual's position as a public official or state or local candidate that are provided by:

(1) a state or local law enforcement agency; or

(2) an insured vendor licensed by the Board of Private Detective and Protective Agent Services under sections 326.32 to 326.339.

(b) Security services do not include:

(1) services obtained from a relative or a business owned by a relative, within the third degree of consanguinity, of an official or candidate; or

(2) services obtained above fair market value.

Sec. 4. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 36a. **Street address.** "Street address" means the name or number of the building, the name of the street on which the building is located, and any unit number.

Sec. 5. Minnesota Statutes 2025 Supplement, 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~~ individuals 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 of the filer to whom the data pertains. Data from such systems that has been submitted to the board as a filed report or statement is government data under chapter 13.

(b) For purposes of administering the refund under section 290.06, subdivision 23, the board may access or use the following data entered and stored in an electronic reporting system and share the data with the commissioner of revenue: (1) the amount of the contribution; (2) the name and address of the contributor; (3) any unique identifier for the contribution; (4) the name and campaign identification number of the party or candidate that received the contribution; and (5) the date on

which the contribution was received. Data accessed, used, or maintained by the board under this paragraph are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 6. Minnesota Statutes 2024, section 10A.02, is amended by adding a subdivision to read:

Subd. 11c. **Street address data.** The street address of individuals contained on reports and statements filed with the board under sections 10A.09, subdivision 5, paragraph (a), clause (1); 10A.09, subdivision 5b, paragraph (b), clause (1); 10A.155; 10A.179; 10A.20; and 10A.202, are classified as nonpublic data, as defined in section 13.02, subdivision 9, or as private data on individuals as defined in section 13.02, subdivision 12, and in addition to the subject of the data are accessible to the filer of the report or statement containing that data. The board, a county attorney, or a county, municipality, school district, or other political subdivision may use street addresses disclosed on reports and statements to ensure compliance with this chapter.

Sec. 7. Minnesota Statutes 2024, section 10A.027, is amended to read:

10A.027 INFORMATION ON WEBSITE.

(a) The board must not post on its website any canceled checks, bank account numbers, credit card account numbers, or Social Security numbers that may be in the board's possession as a result of report or statement filings, complaints, or other proceedings under this chapter.

(b) To comply with section 10A.02, subdivision 11c, the board must modify a report or statement to omit private or nonpublic data before posting the report or statement on its website.

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

Sec. 8. Minnesota Statutes 2025 Supplement, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest in the report with enough information to show the particular issue of importance to the entity represented.

(c) A lobbyist must report every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor of statutes rule draft number assigned to the administrative rulemaking.

(d) A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

(e) A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more

than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

(f) A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

(g) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to $5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the official's name ~~and address of~~, title, and the government jurisdiction for which the official serves for each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

(h) A lobbyist must report each original source of money in excess of $500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of $500.

(i) On each report, a lobbyist must disclose the general lobbying categories that were lobbied on in the reporting period.

(j) A lobbyist must report each expert witness that the lobbyist requested to communicate with public or local officials as described in section 10A.01, subdivision 21, paragraph (b), clause (9), and each finance professional who participated in conduit financing as described in section 10A.01, subdivision 21, paragraph (b), clause (7). The lobbyist must report the name of the expert witness or finance professional; the employer, if any, of the expert witness or finance professional; the government entity that received the communication from the expert witness or finance professional; and the specific subject on which the expert witness or finance professional communicated. The designated lobbyist must also report this information if the expert witness or finance professional is requested to communicate by the principal or association that the lobbyist represents.

Sec. 9. Minnesota Statutes 2024, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5b, the individual filing must provide the following information:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of $2,500; or (ii) an option to buy, if the property has a fair market value of more than $50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual or the individual's spouse receives more than $250 in any month during the reporting period as an employee, if the individual or the individual's spouse has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual or the individual's spouse received compensation of more than $2,500 in the past 12 months as an independent contractor;

(8) a listing of the full name of each security with a value of more than $10,000 owned in part or in full by the individual or the individual's spouse, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, or franchise that:

(i) is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(b) For the purposes of paragraph (a), clauses (3) and (4), the board must classify as private data the street address of real property at which an individual or the individual's spouse lives on a permanent or temporary basis if the individual certifies for each address that the individual would have a reasonable fear for the individual's or individual's family's safety if the address were public data.

~~(b)~~ (c) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

~~(c)~~ (d) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

~~(d)~~ (e) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

~~(e)~~ (f) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

~~(f)~~ (g) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

~~(g)~~ (h) The listings required in paragraph (a), clauses (3) to (9), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

Sec. 10. Minnesota Statutes 2024, section 10A.09, subdivision 5b, is amended to read:

Subd. 5b. **Form; exceptions for certain officials.** (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of $250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of $2,500; or

(ii) an option to buy, if the property has a fair market value of more than $50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of $2,500; or

(ii) an option to buy, if the property has a fair market value of more than $50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located; and

(5) a listing of any contract, professional license, lease, or franchise that meets the following criteria:

(i) it is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(c) The listings required in paragraph (b), clauses (3) to (5), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

(d) For the purposes of paragraph (b), clauses (3) and (4), the board must classify as private data the street address of real property at which an individual or the individual's spouse lives on a permanent or temporary basis if the individual certifies for each address that the individual would have a reasonable fear for the individual's or individual's family's safety if the address were public data.

(e) If an individual listed in paragraph (a) also holds a public official position that is not listed in paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

Sec. 11. Minnesota Statutes 2024, section 10A.20, subdivision 3, is amended to read:

Subd. 3. **Contents of report.** (a) The report required by this section must include each of the items listed in paragraphs (b) to (q) that are applicable to the filer. The board shall prescribe forms based on filer type indicating which of those items must be included on the filer's report.

(b) The report must disclose the amount of liquid assets on hand at the beginning of the reporting period.

(c) The report must disclose the name, address, employer, or occupation if self-employed, and registration number if registered with the board, of each individual or association that has made one or more contributions to the reporting entity, including the purchase of tickets for a fundraising effort, that in aggregate within the year exceed $200 for legislative or statewide candidates or more than $500 for ballot questions, together with the amount and date of each contribution, and the aggregate amount of contributions within the year from each source so disclosed. A donation in kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order. Contributions from the same contributor must be listed under the same name. When a contribution received from a contributor in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of this paragraph, the name, address, and employer, or occupation if self-employed, of the contributor must then be listed on the report.

(d) The report must disclose the sum of contributions to the reporting entity during the reporting period.

(e) The report must disclose each loan made or received by the reporting entity within the year in aggregate in excess of $200, continuously reported until repaid or forgiven, together with the name, address, occupation, principal place of business, if any, and registration number if registered with the board of the lender and any endorser and the date and amount of the loan. If a loan made to the principal campaign committee of a candidate is forgiven or is repaid by an entity other than that principal campaign committee, it must be reported as a contribution for the year in which the loan was made.

(f) The report must disclose each receipt over $200 during the reporting period not otherwise listed under paragraphs (c) to (e).

(g) The report must disclose the sum of all receipts of the reporting entity during the reporting period.

(h) The report must disclose the name, address, and registration number if registered with the board of each individual or association to whom aggregate expenditures, approved expenditures, independent expenditures, and ballot question expenditures have been made by or on behalf of the reporting entity within the year in excess of $200, together with the amount, date, and purpose of each expenditure, including an explanation of how the expenditure was used, and the name and ~~address~~ the city, state, and zip code of, and office sought by, each candidate or local candidate on whose behalf the expenditure was made, identification of the ballot question that the expenditure was intended to promote or defeat and an indication of whether the expenditure was to promote or to defeat the ballot question, and in the case of independent expenditures made in opposition to a candidate or local candidate, the candidate's or local candidate's name~~, address,~~; the city, state, and zip code; and office sought. A reporting entity making an expenditure on behalf of more than one candidate or local candidate must allocate the expenditure among the candidates and local candidates on a reasonable cost basis and report the allocation for each candidate or local candidate. The report must list on separate schedules any independent expenditures made on behalf of local candidates and any expenditures made for ballot questions as defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(i) The report must disclose the sum of all expenditures made by or on behalf of the reporting entity during the reporting period.

(j) The report must disclose the amount and nature of an advance of credit incurred by the reporting entity, continuously reported until paid or forgiven. If an advance of credit incurred by the principal campaign committee of a candidate is forgiven by the creditor or paid by an entity other than that principal campaign committee, it must be reported as a donation in kind for the year in which the advance of credit was made.

(k) The report must disclose the name~~, address,~~ and registration number if registered with the board of each political committee, political fund, principal campaign committee, local candidate, or party unit to which contributions have been made that aggregate in excess of $200 within the year and the amount and date of each contribution. The report must include the city, state, and zip code of each principal campaign committee and local candidate. The report must include the address

of each political committee, political fund, and party unit. The report must list on separate schedules any contributions made to state candidates' principal campaign committees and any contributions made to local candidates.

(l) The report must disclose the sum of all contributions made by the reporting entity during the reporting period and must separately disclose the sum of all contributions made to local candidates by the reporting entity during the reporting period.

(m) The report must disclose the name, address, and registration number if registered with the board of each individual or association to whom noncampaign disbursements have been made that aggregate in excess of $200 within the year by or on behalf of the reporting entity and the amount, date, and purpose of each noncampaign disbursement, including an explanation of how the expenditure was used.

(n) The report must disclose the sum of all noncampaign disbursements made within the year by or on behalf of the reporting entity.

(o) The report must disclose the name and address of a nonprofit corporation that provides administrative assistance to a political committee or political fund as authorized by section 211B.15, subdivision 17, the type of administrative assistance provided, and the aggregate fair market value of each type of assistance provided to the political committee or political fund during the reporting period.

(p) Legislative, statewide, and judicial candidates, party units, and political committees and funds must itemize contributions that in aggregate within the year exceed $200 for legislative or statewide candidates or more than $500 for ballot questions on reports submitted to the board. The itemization must include the date on which the contribution was received, the individual or association that provided the contribution, and the address of the contributor. Additionally, the itemization for a donation in kind must provide a description of the item or service received. Contributions that are less than the itemization amount must be reported as an aggregate total.

(q) Legislative, statewide, and judicial candidates, party units, political committees and funds, and committees to promote or defeat a ballot question must itemize expenditures and noncampaign disbursements that in aggregate exceed $200 in a calendar year on reports submitted to the board. The itemization must include the date on which the committee made or became obligated to make the expenditure or disbursement, the name and address of the vendor that provided the service or item purchased, and a description of the service or item purchased, including an explanation of how the expenditure was used. Expenditures and noncampaign disbursements must be listed on the report alphabetically by vendor.

Sec. 12. Minnesota Statutes 2024, section 10A.27, subdivision 2, is amended to read:

Subd. 2. **Political party and dissolving principal campaign committee limit.** A candidate must not permit the candidate's principal campaign committee to accept contributions from any political party units or dissolving principal campaign committees in aggregate in excess of ten times the amount that may be contributed to that candidate as set forth in subdivision 1. The limitation in this subdivision does not apply to a contribution from a dissolving principal campaign committee of a candidate for the legislature to another principal campaign committee of the same candidate. The limitation in this subdivision does not apply to an in-kind contribution for security services

from any political party units, which are subject to the limitation for noncampaign disbursements in section 10A.01, subdivision 26, clause (30).

Sec. 13. Minnesota Statutes 2024, section 10A.27, subdivision 10, is amended to read:

Subd. 10. **Limited personal contributions.** (a) A candidate who signs an agreement under section 10A.322 may not contribute to the candidate's own campaign during a segment of an election cycle more than five times the candidate's contribution limit for that segment under subdivision 1.

(b) The limitation in paragraph (a) does not apply to payments made by the candidate for the following that would otherwise be considered campaign contributions to the candidate's own campaign:

(1) detection-related security monitoring expenses for a candidate, including home security hardware, maintenance of home security monitoring hardware, identity theft monitoring services, and credit monitoring services;

(2) purchase, installation, and maintenance of structural security devices such as locks, wiring, lighting, gates, doors, and fencing so long as such devices are intended solely to provide security and not to improve the property or increase its value; and

(3) security services.

Notwithstanding the exception in this paragraph, a candidate must still comply with the limitations for noncampaign disbursements in section 10A.01, subdivision 26, clauses (29) and (30).

Sec. 14. Minnesota Statutes 2024, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph (h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, Internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

(5) expenditures for a political party fundraising effort on behalf of three or more candidates; or

(6) expenditures for party committee staff services that benefit three or more candidates or local candidates, including contracts with third parties for security services if the services are provided to at least three candidates or local candidates.

Sec. 15. Minnesota Statutes 2025 Supplement, section 204B.06, subdivision 1b, is amended to read:

Subd. 1b. **Address, electronic mail address, and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. Except for affidavits of candidacy for (1) judicial office, (2) the office of county attorney, or (3) county sheriff, an affidavit must also state the candidate's current address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign ~~contact~~ mailing address. When filing the affidavit, the candidate must present the filing officer with the candidate's valid driver's license or state identification card that contains the candidate's current address of residence, or documentation of proof of residence authorized for election day registration in section 201.061, subdivision 3, paragraph (a), clause (2); clause (3); or paragraph (d). If an original bill is shown, the due date on the bill must be within 30 days before or after the beginning of the filing period or, for bills without a due date, dated within 30 days before the beginning of the filing period. If the address on the affidavit and the documentation do not match, the filing officer must not accept the affidavit. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data~~, and to provide the certification required under paragraph (c) for classification of that address~~.

(b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. ~~The candidate must also certify on the affidavit that either: (1) a police report has been submitted, an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; or (2) the candidate's address is otherwise private pursuant to Minnesota law.~~ The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy ~~and provides the certification required by this paragraph~~ is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

Sec. 16. **[204B.065] CLASSIFICATION OF CERTAIN DATA.**

Subdivision 1. **Definition.** For purposes of this section, "street address" means the name or number of the building, the name of the street on which the building is located, and any unit number.

Subd. 2. **Data classification.** Street address data of individual candidates on an affidavit of candidacy or nominating petition submitted prior to May 1, 2026, is classified as nonpublic data, as defined in Minnesota Statutes, section 13.02, subdivision 9, or as private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective seven days following final enactment.

Sec. 17. Minnesota Statutes 2024, section 204B.07, subdivision 1, is amended to read:

Subdivision 1. **Form of petition.** A nominating petition may consist of one or more separate pages each of which shall state:

(a) the office sought;

(b) the candidate's name ~~and residence address, including street and number if any~~; campaign website, if any; and the candidate's or campaign's nongovernment-issued email address or a statement that the candidate and the candidate's campaign do not possess an email address; and

(c) the candidate's political party or political principle expressed in not more than three words. No candidate who files for a partisan office by nominating petition shall use the term "nonpartisan" as a statement of political principle or the name of the candidate's political party. No part of the name of a major political party may be used to designate the political party or principle of a candidate who files for a partisan office by nominating petition, except that the word "independent" may be used to designate the party or principle. A candidate who files an affidavit of candidacy to fill a vacancy in nomination for a nonpartisan office pursuant to section 204B.13, shall not state any political principle or the name of any political party on the petition.

Sec. 18. Minnesota Statutes 2024, section 211A.01, is amended by adding a subdivision to read:

Subd. 1a. **Address.** "Address" means the complete mailing address, including the zip code. An individual may use either the individual's business address or home address. An association's address is the address from which the association conducts its business.

Sec. 19. Minnesota Statutes 2024, section 211A.01, is amended by adding a subdivision to read:

Subd. 9. **Street address.** "Street address" means the name or number of the building, the name of the street on which the building is located, and any unit number.

Sec. 20. **[211A.015] ADDRESSES; DATA CLASSIFICATION.**

For purposes of chapter 211A, the street address of individuals contained on reports and statements filed with a county, municipality, school district, or other political subdivision are classified as nonpublic data, as defined in section 13.02, subdivision 9, or as private data on individuals, as defined in section 13.02, subdivision 12, and in addition to the subject of the data are accessible to the filer of the report or statement containing that data. The county, municipality,

school district, or other political subdivision may use street addresses disclosed on reports and statements to ensure compliance with this chapter.

Sec. 21. Minnesota Statutes 2025 Supplement, section 211A.02, subdivision 2, is amended to read:

Subd. 2. **Information required.** The report to be filed by a candidate or committee must include:

(1) the name of the candidate and office sought;

(2) the printed name, address, telephone number, signature, and email address or an attestation that the candidate and the candidate's campaign do not possess an email address, of the person responsible for filing the report;

(3) the total cash on hand designated to be used for political purposes;

(4) the total amount of contributions received and the total amount of disbursements for the period from the last previous report to five days before the current report is due;

(5) if disbursements made to the same vendor exceed $100 in the aggregate during the period covered by the report, the name and address for the vendor and the amount, date, and purpose for each disbursement; and

(6) the name, address, and employer, or occupation if self-employed, of any individual or entity that during the period covered by the report has made one or more contributions that in the aggregate exceed $100, and the amount and date of each contribution. ~~The filing officer must restrict public access to the address of any individual who has made a contribution that exceeds $100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.~~

Sec. 22. **REDACTING STREET ADDRESSES; LOCAL GOVERNMENT REPORTS AND STATEMENTS.**

(a) Notwithstanding Minnesota Statutes, section 211A.02, subdivision 6, any local government that posts campaign finance reports or statements on the local government's website must remove the reports or statements if the report or statement includes private or nonpublic data. Prior to reposting any statement or report, the local government must redact or omit all private or nonpublic data.

(b) Notwithstanding Minnesota Statutes, section 211A.02, subdivision 6, the filing officer of a local government must have all reports reposted within six months of the effective date of this section.

EFFECTIVE DATE. This section is effective seven days following final enactment.

Sec. 23. **REDACTING STREET ADDRESSES; REPORTS AND STATEMENTS ON BOARD'S WEBSITE.**

(a) The Campaign Finance and Public Disclosure Board must remove from the board's website all reports and statements that were filed in accordance with Minnesota Statutes, section 10A.09, 10A.20, or 10A.202. The board must redact or omit private or nonpublic data from each statement or report and repost the report to the board's website. The board must prioritize its work on reports and statements filed on or after January 1, 2025, and then reports or statements filed on or after January 1, 2022, and before January 1, 2025, in the following order:

(1) reports and statements from candidates;

(2) reports and statements from party units;

(3) reports and statements from political committees, political funds, independent expenditure funds, and ballot funds; and

(4) all other statements and filings.

When the board completes its work with statements and reports from a category above, the board must post the reports and statements on the board's website. After the board completes reposting reports and statements filed on or after January 1, 2025, the board must work to repost reports and statements filed on or after January 1, 2022, and before January 1, 2025, in the same order of priority.

(b) The board must have all reports filed on or after January 1, 2022, reposted within six months of the effective date of this section. If the board is unable to comply with this timeline, the board must report to the chairs and ranking minority members of the legislative committees with jurisdiction over campaign finance policy why compliance was not possible, what issues must be resolved in order for the board to be in compliance, and when the board anticipates it will be able to comply. The board must have statements and reports filed after January 1, 2022, reposted by January 1, 2028.

EFFECTIVE DATE. This section is effective seven days following final enactment.

Sec. 24. **TRANSITION TO NEW AFFIDAVITS OF CANDIDACY; NOMINATING PETITIONS NOT DEFICIENT.**

(a) Notwithstanding the requirements of this act, a completed affidavit of candidacy under Minnesota Statutes, section 204B.06, submitted by a candidate is not deficient if the affidavit form was printed or provided prior to the effective date of any modification required by this act. For elections occurring on or after November 4, 2026, an election official must not print, copy, or publicly distribute a blank affidavit of candidacy or nominating petition that does not include the required modification in this act.

(b) A nominating petition filed for an election held in 2026 is not deficient if a candidate complies with the requirements of Minnesota Statutes, section 204B.07, subdivision 1, as it was in effect on April 1, 2026, or as amended by this act as of the effective date of this section.

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

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 2024, section 10A.09, subdivision 9, is repealed.

(b) Minnesota Rules, part 4501.0100, subpart 2, is repealed.

Sec. 26. **EFFECTIVE DATE.**

This article is effective the day following final enactment unless otherwise specified.

ARTICLE 3

ELECTIONS POLICY

Section 1. Minnesota Statutes 2024, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121 and the municipality must determine whether the municipality's office will be designated to administer voting under section 203B.081 starting on the 46th day before the election or the 18th day before the election.

(b) A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting.

(c) A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any ~~municipal~~ clerk who will be administering the provisions of this section and the duties that the clerk will administer.

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

Sec. 2. Minnesota Statutes 2024, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The county auditor, municipal clerk, school district clerk, or full-time clerk of any city or town administering an election pursuant to section 203B.05, shall mail absentee ballots to voters on the permanent absentee ballot list pursuant to section 203B.04, subdivision 5, on the following timelines:

(1) except as otherwise provided by this section, at least 46 days before each regularly scheduled primary and general election and each special primary and special election;

(2) as soon as practicable for a special election held pursuant to section 204D.19, subdivisions 2 and 3; and

(3) at least 30 days before a town general election held in March.

(b) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

(c) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4~~, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of an assisted living facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4~~.

(d) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

Sec. 3. Minnesota Statutes 2024, section 203B.065, is amended to read:

203B.065 USING THE REGISTRATION SYSTEM.

Subdivision 1. **Applicability.** A clerk administering absentee ballots pursuant to this section must meet the requirements of section 203B.05, subdivision 1, paragraph (c).

Subd. 2. **Use of the statewide voter registration system.** (a) Upon accepting an application for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in

the statewide voter registration system the voter's name, date of birth, address of residence in Minnesota, mailing address, Minnesota driver's license or state identification number, or the last four digits of the voter's Social Security number, if provided by the voter. Upon acceptance of an absentee ballot application of a voter who is registered to vote at an address different from the residential address certified on the absentee ballot application, the voter registration record with the previous address shall be challenged. Once the absentee ballot has been transmitted to the voter, the method of transmission and the date of transmission must be recorded.

(b) Upon receipt of a returned absentee ballot for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in the statewide voter registration system that the voter has returned the ballot.

(c) Upon receipt of notice that the ballot board has accepted or rejected the absentee ballot for a ~~state~~ primary or ~~state~~ general election, the county auditor or municipal clerk shall record in the statewide voter registration system whether the ballot was accepted or rejected, and if rejected, the reason for rejection. If a replacement ballot is transmitted to the voter, the county auditor or municipal clerk shall record this in the statewide voter registration system.

(d) The labels provided for envelopes used for transmitting an absentee ballot to and from an applicant for an absentee ballot for a ~~state~~ primary or ~~state~~ general election must contain bar codes generated by the statewide voter registration system to facilitate the recording required under this section. A county auditor or municipal clerk entering information into the statewide voter registration system under this section must include the information provided on the bar code label whenever information is entered into the system.

(e) A town clerk may, but is not required to, use the statewide voter registration system as provided in this section for a town election held in March.

EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment. Subdivision 2 is effective September 1, 2027.

Sec. 4. Minnesota Statutes 2025 Supplement, section 203B.30, subdivision 2, is amended to read:

Subd. 2. **Voting procedure.** (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote must register and a voter whose name or address has changed must update the voter's registration in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The early voting official must maintain a printed copy of the voter certificate. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the

polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 5. Minnesota Statutes 2025 Supplement, section 203B.30, subdivision 3, is amended to read:

Subd. 3. **Processing of ballots.** Each day when early voting occurs, the early voting officials must:

(1) remove and secure ballots cast, noting the date, voting location, and number of ballots cast;

(2) without inspecting the ballots, using the procedures in section 204C.20, subdivisions 1 to 4, ensure that the number of ballots removed from the ballot box is equal to the number of voter certificates that were signed by voters in subdivision 2, paragraph (b); and

(3) seal and secure all voted and unvoted ballots and signed voter certificates present in that location at the end of the day.

The ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 6. Minnesota Statutes 2025 Supplement, section 204B.07, subdivision 2, is amended to read:

Subd. 2. **Petitions for presidential electors and alternates.** (a) This section does not apply to candidates for presidential elector or alternate nominated by major political parties. Major party candidates for presidential elector or alternate are certified under section 208.03. Other presidential electors or alternates are nominated by petition pursuant to this section.

(b) On petitions nominating presidential electors or alternates, the names of the candidates for president and vice-president shall be added to the political party or political principle stated on the petition. One petition may be filed to nominate a slate of presidential electors equal in number to the number of electors to which the state is entitled and an alternate for each elector nominee.

(c) In addition to the petition, each nominated candidate must submit a signed, notarized affidavit of candidacy for president or vice president that includes the following information:

(1) the candidate's name in the form as it should appear on the ballot;

(2) the candidate's campaign address, website, phone number, and email address;

(3) the name of the political party or political principle stated on the petition;

(4) the office sought by the candidate; and

(5) a declaration that the candidate satisfies all requirements of the United States Constitution to be eligible to be elected to the office and the candidate is aware of and will follow all applicable election laws and campaign finance laws.

Sec. 7. Minnesota Statutes 2025 Supplement, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the 19th day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official no later than the 19th day before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted and the city clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school district, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate. If a governing body adopts a resolution authorized by this paragraph, the resolution must be adopted and the clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body.

(d) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice president of the United States. The candidates must certify on the request that both candidates satisfy all requirements of the United States Constitution to be eligible to be elected to the office. The request must also include the name of at least one

candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 8. Minnesota Statutes 2024, section 204B.27, subdivision 2, is amended to read:

Subd. 2. **Election law and instructions.** The secretary of state shall prepare and publish a volume containing all state general laws relating to elections. The attorney general shall provide annotations to the secretary of state for this volume. On or before ~~August 1 of every odd-numbered~~ July 15 of each year the secretary of state shall ~~furnish to the county auditors and municipal clerks enough copies of this volume so that each county auditor and municipal clerk will have at least one copy. On or before July 1 of every even-numbered year, the secretary of state shall~~ prepare and make an electronic copy of this volume available on the office's website. The secretary of state may prepare and transmit to the county auditors and municipal clerks detailed written instructions for complying with election laws relating to the conduct of elections, conduct of voter registration and voting procedures.

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

Sec. 9. Minnesota Statutes 2024, section 204B.49, is amended to read:

204B.49 "I VOTED" STICKERS.

(a) The secretary of state, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to an individual who:

(1) has successfully deposited a ballot into a ballot box;

(2) is provided an absentee ballot under section 203B.07, subdivision 1, or 203B.21, subdivision 2; or

(3) is provided a ballot by mail under section 204B.45 or 204B.46.

(b) The secretary of state, county auditor, municipal clerk, or school district clerk may periodically administer a competition to update the "I VOTED" sticker design. An updated design may include graphic design elements, but it must only include the words "I VOTED," and its imagery must not advocate for or against any political party, candidate, ballot question, or public policy issue, or include any other words or numbers. Nothing in this section prohibits a design competition from resulting in multiple winning designs.

Sec. 10. Minnesota Statutes 2024, section 204C.26, subdivision 2, is amended to read:

Subd. 2. **Summary statements; contents.** (a) The blank summary statement forms furnished to each precinct shall identify the precinct, ward number if any, city, school district if applicable,

or town, date, and kind of election and, under appropriate headings identifying ~~each color ballot~~, shall contain spaces for the election judges to enter the information required by section 204C.24, subdivision 1.

(b) Each blank summary statement form shall also contain a certificate to be signed by the election judges stating that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

Sec. 11. Minnesota Statutes 2024, section 204C.26, subdivision 4, is amended to read:

Subd. 4. **Envelopes for counted ballots.** Each official responsible for printing ballots shall also furnish envelopes to contain those ballots after they have been counted. The envelopes shall be made of heavy paper, printed or marked to distinguish ~~the color of~~ the ballots to be contained in them. They shall be of convenient size to hold the ballots and shall be furnished at the same time and in the same manner as the ballots.

Sec. 12. Minnesota Statutes 2024, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the third and ~~tenth~~ 14th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each municipal office and the results of ~~the election~~ any ballot questions. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the candidate duly elected who received the highest number of votes for each town office and the results of ~~the election~~ any ballot question within two days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 13. Minnesota Statutes 2024, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the third and ~~tenth~~ 14th days after a school district election ~~other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59~~, the school board shall canvass the returns and declare the candidate duly elected who received the highest number of votes for each school district office and the results of ~~the election~~ any ballot question. The recounted results of a referendum conducted under section 126C.17, subdivision 9, or 475.59 must be certified by the canvassing

board. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 14. Minnesota Statutes 2024, section 208.03, is amended to read:

208.03 NOMINATION OF PRESIDENTIAL ELECTORS AND ALTERNATES.

Presidential electors and alternates for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. At least 71 days before the general election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of persons nominated as alternate presidential electors, and the names of the party candidates for president and vice president. The chair shall also certify that the party candidates for president and vice president satisfy all requirements of the United States Constitution to be eligible to be elected to the office and have no affidavit on file as a candidate for any office in this state at the ensuing general election.

Sec. 15. Minnesota Statutes 2025 Supplement, section 375.20, is amended to read:

375.20 BALLOT QUESTIONS.

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "Shall (here state the substance of the resolution to be submitted)?, Yes ..... No.....,". The county board may call a special county election upon a question to be held ~~within~~ at least 84 days after a resolution to that effect is adopted by the county board. The special election must be held on a uniform election date established in section 205.10, subdivision 3a. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted

and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to elections held on or after September 1, 2026.

Sec. 16. Laws 1969, chapter 193, section 3, as amended by Laws 1974, chapter 235, section 1, and Laws 1980, chapter 371, section 1, is amended to read:

Sec. 3. **INDEPENDENT SCHOOL DISTRICT NO. 535; ELECTIONS.**

~~Election districts may at any time be established in the manner provided by this act or the board of education of the district may by resolution at any time provide that the board members be elected at large. If the members are elected at large the notice of election should include substantially the following form:~~

~~"Position number 3 and Position number 5 are to be filled by election. Candidates may not file for more than one position."~~

~~If the members are elected at large the ballots shall read as follows:~~

~~"For school board position number 3 of Independent School District Number 535" or "For school board position number 5 of Independent School District Number 535."~~

~~The names of the candidates for each seat shall be rotated on the ballots to avoid any appearance of preference for incumbents, and incumbency shall not be indicated on the ballot.~~

~~Newly elected school board members shall take office at the next regularly scheduled meeting of the board following receipt of their certificates of election and notwithstanding section 123.34, subdivision 1, the board may organize at that meeting rather than at the time required by section 123.34, subdivision 1. If the school district changes from election by district to election at large or from election at large to election by district incumbents shall serve the entire terms to which they were elected under the prior system. If the school district changes from election by district to election at large incumbents shall be assigned by lot to the numbered positions.~~

School board elections for Independent School District No. 535, Rochester, shall be conducted in accordance with Minnesota Statutes, chapter 205A. Notwithstanding Minnesota Statutes, section 205A.12, the district may alter its organization into separate election districts for the purpose of election of board members using the procedures provided in that section. School board membership shall be governed by Minnesota Statutes, section 123B.09.

EFFECTIVE DATE. This section is effective upon approval by the governing body of Independent School District No. 535 and compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, for school district elections held after completion of local approval. The local approval process must be completed by June 30, 2026, to apply to 2026 school district elections.

Sec. 17. **NOTIFICATION TO ADMINISTER VOTING.**

Notwithstanding Minnesota Statutes, section 203B.05, for a municipality already designated to or that has already given notice of the intent to administer absentee voting, the municipality and

county must come to an agreement by June 12, 2026, and notify the secretary of state whether the municipality will administer absentee voting for the 46 days or 18 days before election day in the 2026 state primary.

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

Sec. 18. **SPECIAL LAW.**

Section 16 is a special law enacted pursuant to the Minnesota Constitution, article XII, section 2, and applies to Independent School District No. 535, Rochester.

Sec. 19. **REPEALER.**

Minnesota Statutes 2024, section 5.31, is repealed."

Delete the title and insert:

"A bill for an act relating to elections; modifying campaign finance reporting requirements; modifying disclaimer requirements; expanding disclosure requirements; modifying provisions related to noncoordinated expenditures; classifying certain street address data as private data; modifying campaign finance laws related to security-related expenses; making various changes related to election administration; modifying provisions related to absentee voting; modifying timelines; making technical and clarifying changes; modifying definitions; requiring studies and reports; imposing penalties; amending Minnesota Statutes 2024, sections 10A.01, subdivision 24, by adding subdivisions; 10A.02, by adding a subdivision; 10A.027; 10A.04, subdivision 6; 10A.07, subdivisions 1, 2; 10A.08, subdivision 1; 10A.09, subdivisions 2, 5, 5a, 5b, 6a; 10A.16; 10A.175, subdivisions 2, 3, 5; 10A.176, subdivision 1; 10A.177; 10A.20, subdivisions 2, 2a, 3, 4; 10A.201, subdivision 6; 10A.202, subdivision 4; 10A.25, subdivision 10; 10A.27, subdivisions 2, 10, 17; 10A.275, subdivision 1; 203B.05, subdivision 1; 203B.06, subdivision 3; 203B.065; 204B.07, subdivision 1; 204B.27, subdivision 2; 204B.49; 204C.26, subdivisions 2, 4; 205.185, subdivision 3; 205A.10, subdivision 3; 208.03; 211A.01, by adding subdivisions; 211B.04, subdivisions 1, 2, 3, 5; 211B.075, subdivision 5; 211B.076, subdivision 11; 383B.041, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 10A.01, subdivision 26; 10A.02, subdivision 11b; 10A.04, subdivision 4; 10A.09, subdivision 1; 203B.30, subdivisions 2, 3; 204B.06, subdivision 1b; 204B.07, subdivision 2; 204B.09, subdivision 3; 211A.02, subdivision 2; 211B.066, subdivision 2; 375.20; Laws 1969, chapter 193, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapters 10A; 204B; 211A; repealing Minnesota Statutes 2024, sections 5.31; 10A.09, subdivision 9; Minnesota Rules, parts 4501.0100, subpart 2; 4503.2000."

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. 4760: A bill for an act relating to state government; changing provisions for employment or occupation due to conviction of a crime; amending Minnesota Statutes 2024, sections 364.03, subdivision 3; 364.05.

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 PUBLIC SAFETY

Section 1. Minnesota Statutes 2024, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid;

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder; ~~and~~

(5) race and ethnicity data on driver's license holders and identification card holders under section 171.06, subdivision 3. The Department of Public Safety Office of Traffic Safety is authorized to receive race and ethnicity data from Driver and Vehicle Services for only the purposes of research, evaluation, and public reports~~.~~; and

(6) the following data on individuals created, collected, received, stored, used, or maintained by the Office of Justice Programs: the name, address, email address, telephone number, date of birth, or employer of a research participant; a unique identification number assigned to a research participant; and any other data that could reasonably identify a research participant.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

Sec. 2. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 39. **Office for Missing and Murdered Indigenous Relatives.** Data related to victim and family support are governed by section 299A.85, subdivision 4, paragraph (c).

Sec. 3. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 40. **Office for Missing and Murdered Black Women and Girls.** Data related to victim and family support are governed by section 299A.90, subdivision 3, paragraph (c).

Sec. 4. Minnesota Statutes 2024, section 13.871, subdivision 5, is amended to read:

Subd. 5. **Crime victims.** (a) **Crime victim notice of release.** Data on crime victims who request notice of an offender's release are classified under section 611A.06.

(b) **Sex offender HIV tests.** Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section.

~~(c) **Battered women.** Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.~~

~~(d)~~ (c) **Victims of domestic abuse.** Data on ~~battered women and~~ victims of domestic abuse maintained by grantees ~~and recipients of per diem payments~~ for emergency shelter ~~for battered women~~ and support services ~~for battered women and victims of domestic abuse~~ are governed by sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

~~(e)~~ (d) **Personal history; internal auditing.** Certain personal history and internal auditing data is classified by section 611A.46.

~~(f)~~ (e) **Crime victim claims for reimbursement.** Claims and supporting documents filed by crime victims seeking reimbursement are classified under section 611A.57, subdivision 6.

~~(g)~~ (f) **Crime Victim Oversight Act.** Data maintained by the commissioner of public safety under the Crime Victim Oversight Act are classified under section 611A.74, subdivision 2.

~~(h)~~ (g) **Victim identity data.** Data relating to the identity of the victims of certain criminal sexual conduct is governed by section 609.3471.

~~(i)~~ (h) **Victim notification.** Data on victims requesting a notice of release of an arrested or detained person are classified under sections 629.72 and 629.73.

~~(j)~~ (i) **Immigration status certification.** Disclosure of the immigration status of a crime victim and the classification of that data is governed by section 611A.95, subdivision 4.

Sec. 5. Minnesota Statutes 2024, section 116L.362, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless; (2) improvements to the energy efficiency and environmental health of residential units and other green jobs purposes; (3) facilities to support community garden projects; or (4) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or low income individuals and families, and include the following:

(1) Head Start or day care centers, including playhouses or similar incidental structures;

(2) homeless, ~~battered women~~ domestic abuse, or other shelters;

(3) transitional housing and tiny houses;

(4) youth or senior citizen centers;

(5) community health centers; and

(6) community garden facilities.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 6. Minnesota Statutes 2024, section 119A.37, subdivision 4, is amended to read:

Subd. 4. **Additional services.** Each parenting time center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse. Each parenting time center must have available an individual knowledgeable about or experienced in the provision of services to ~~battered women and~~ domestic abuse victims on its staff, its board of directors, or otherwise available to it for consultation.

Sec. 7. Minnesota Statutes 2025 Supplement, section 120B.22, subdivision 1, is amended to read:

Subdivision 1. **Violence prevention curriculum.** (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, ~~battered women's and~~ domestic abuse programs~~, battered women's~~ and shelters, sexual assault centers, and representatives of religious communities, ~~and the assistant commissioner of the Office of Drug Policy and Violence Prevention,~~ shall assist districts on request in developing or implementing a

violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, sexual, racial, and cultural harassment, self-protection, and student hazing that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse, including physical abuse, and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and service cooperatives;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior;

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment or student hazing.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 8. Minnesota Statutes 2024, section 142G.12, subdivision 2, is amended to read:

Subd. 2. **30-day residency requirement.** An assistance unit is considered to have established residency in this state only when a child or caregiver has resided in this state for at least 30 consecutive days with the intention of making the person's home here and not for any temporary purpose. The birth of a child in Minnesota to a member of the assistance unit does not automatically

establish the residency in this state under this subdivision of the other members of the assistance unit. Time spent in a shelter for ~~battered women~~ domestic abuse victims shall count toward satisfying the 30-day residency requirement.

Sec. 9. Minnesota Statutes 2024, section 142G.53, is amended to read:

142G.53 FAMILY VIOLENCE WAIVER CRITERIA.

(a) In order to qualify for a family violence waiver, an individual must provide documentation of past or current family violence which may prevent the individual from participating in certain employment activities.

(b) The following items may be considered acceptable documentation or verification of family violence:

(1) police, government agency, or court records;

(2) a statement from ~~a battered women's~~ domestic abuse shelter staff with knowledge of the circumstances;

(3) a statement from a sexual assault or domestic violence advocate with knowledge of the circumstances; or

(4) a statement from professionals from whom the applicant or recipient has sought assistance for the abuse.

(c) A claim of family violence may also be documented by a sworn statement from the applicant or participant and a sworn statement from any other person with knowledge of the circumstances or credible evidence that supports the client's statement.

Sec. 10. Minnesota Statutes 2025 Supplement, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register or update a registration on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering or updating a registration by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee who provides proof that they are employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or

employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. An election judge may not sign a proof of residence oath vouching for any individual who appears in the precinct where the election judge is working unless the election judge personally knows the individual is a resident of the precinct. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The secretary of state must publish guidance for residential facilities and residential facility employees on the vouching process and the requirements of this subdivision.

(c) "Residential facility" means transitional housing as defined in section 256K.48, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 10a; ~~a shelter for battered women~~ emergency shelter services for domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 3; a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering or updating a registration by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 11. Minnesota Statutes 2024, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The county auditor, municipal clerk, school district clerk, or full-time clerk of any city or town administering an election pursuant to section 203B.05, shall mail absentee ballots to voters on the permanent absentee ballot list pursuant to section 203B.04, subdivision 5, on the following timelines:

(1) except as otherwise provided by this section, at least 46 days before each regularly scheduled primary and general election and each special primary and special election;

(2) as soon as practicable for a special election held pursuant to section 204D.19, subdivisions 2 and 3; and

(3) at least 30 days before a town general election held in March.

(b) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under this chapter are not received or mailed by offenders incarcerated at state adult correctional facilities.

(c) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of an assisted living facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for ~~battered women~~ domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 2.

(d) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

Sec. 12. Minnesota Statutes 2024, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws must designate election judges to deliver absentee ballots in accordance with this section. The county auditor must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in one of the following facilities located in the municipality in which the voter maintains residence: a health care facility, hospital, or veterans home operated by the board of directors of the Minnesota veterans homes under chapter 198. The ballots must be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they must travel together in the same vehicle. Both election judges must be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges must deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

(b) At the discretion of a full-time municipal clerk, school district clerk, or county auditor, absentee ballots may be delivered in the same manner as prescribed in paragraph (a) to a shelter for ~~battered women~~ domestic abuse victims as defined in section ~~611A.37, subdivision 4~~ 611A.31, subdivision 2, or to an assisted living facility licensed under chapter 144G.

Sec. 13. Minnesota Statutes 2024, section 256D.02, subdivision 12a, is amended to read:

Subd. 12a. **Resident.** (a) For purposes of eligibility for general assistance, a person must be a resident of this state.

(b) A "resident" is a person living in the state for at least 30 days with the intention of making the person's home here and not for any temporary purpose. Time spent in a shelter for ~~battered women~~ domestic abuse victims shall count toward satisfying the 30-day residency requirement. All applicants for these programs are required to demonstrate the requisite intent and can do so in any of the following ways:

(1) by showing that the applicant maintains a residence at a verified address, other than a place of public accommodation. An applicant may verify a residence address by presenting a valid state driver's license, a state identification card, a voter registration card, a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address, or other form of verification approved by the commissioner; or

(2) by verifying residence according to Minnesota Rules, part 9500.1219, subpart 3, item C.

(c) For general assistance, a county shall waive the 30-day residency requirement where unusual hardship would result from denial of general assistance. For purposes of this subdivision, "unusual hardship" means the applicant is without shelter or is without available resources for food.

The county agency must report to the commissioner within 30 days on any waiver granted under this section. The county shall not deny an application solely because the applicant does not meet at least one of the criteria in this subdivision, but shall continue to process the application and leave the application pending until the residency requirement is met or until eligibility or ineligibility is established.

(d) For purposes of paragraph (c), the following definitions apply (1) "metropolitan statistical area" is as defined by the United States Census Bureau; (2) "shelter" includes any shelter that is located within the metropolitan statistical area containing the county and for which the applicant is eligible, provided the applicant does not have to travel more than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2) does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

(e) Migrant workers as defined in section 142G.02 are exempt from the residency requirements of this section, provided the migrant worker provides verification that the migrant family worked in this state within the last 12 months and earned at least $1,000 in gross wages during the time the migrant worker worked in this state.

(f) For purposes of eligibility for emergency general assistance, the 30-day residency requirement under this section shall not be waived.

(g) If any provision of this subdivision is enjoined from implementation or found unconstitutional by any court of competent jurisdiction, the remaining provisions shall remain valid and shall be given full effect.

Sec. 14. Minnesota Statutes 2024, section 256G.02, subdivision 6, is amended to read:

Subd. 6. **Excluded time.** "Excluded time" means:

(1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, community residential setting licensed under chapter 245D, semi-independent living domicile or services program, residential facility offering care, board and lodging facility or other institution for the hospitalization or care of human beings, as defined in section 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, ~~battered women's~~ shelter for domestic abuse victims, or correctional facility; or any facility based on an emergency hold under section 253B.05, subdivisions 1 and 2;

(2) any period an applicant spends on a placement basis in a training and habilitation program, including: a rehabilitation facility or work or employment program as defined in section 268A.01; semi-independent living services provided under section 252.275, and chapter 245D; or day training and habilitation programs;

(3) any period an applicant is receiving assisted living services, integrated community supports, or day support services; and

(4) any placement for a person with an indeterminate commitment, including independent living.

Sec. 15. Minnesota Statutes 2025 Supplement, section 256G.03, subdivision 2, is amended to read:

Subd. 2. **No durational test.** Except as otherwise provided in sections 142G.12; 142G.78; 256B.056, subdivision 1; and 256D.02, subdivision 12a, for purposes of this chapter, no waiting period is required before securing county or state residence. A person cannot, however, gain residence while physically present in an excluded time facility unless otherwise specified in this chapter or in a federal regulation controlling a federally funded human service; children, youth, and families; or direct care and treatment program. Interstate migrants who enter a shelter for ~~battered women~~ domestic abuse victims directly from another state can gain residency while in the facility provided the person can provide documentation that the person is a victim of domestic abuse and the county determines that the placement is appropriate.

Sec. 16. Minnesota Statutes 2024, section 257.75, subdivision 6, is amended to read:

Subd. 6. **Paternity educational materials.** The commissioner of children, youth, and families shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, ~~battered women's advocates and~~ advocates for domestic abuse victims, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after January 1, 1994, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Sec. 17. Minnesota Statutes 2024, section 260E.02, subdivision 1, is amended to read:

Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary child protection team that may include but is not limited to the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, representatives of health and education, representatives of mental health, representatives of agencies providing specialized services or responding to youth who experience or are at risk of experiencing sex or labor trafficking or sexual exploitation, or other appropriate human services, children's services, or community-based agencies, and parent groups. As used in this section, a "community-based agency" may include, but is not limited to, schools, social services agencies, family service and mental health collaboratives, children's advocacy centers, early childhood and family education programs, Head Start, or other agencies serving children and families. A member of the team must be designated as the lead person of the team responsible for the planning process to develop standards for the team's activities with ~~battered women's and~~ domestic abuse programs and services.

Sec. 18. Minnesota Statutes 2024, section 299A.85, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(2) advocate for state agencies to take actions to facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to the cases of missing and murdered Indigenous relatives;

(4) facilitate research to refine the mandates in the Missing and Murdered Indigenous Women Task Force report and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(6) track and collect Minnesota data on missing and murdered indigenous women, children, and relatives, and provide statistics upon public or legislative inquiry;

(7) facilitate technical assistance for local and Tribal law enforcement agencies during active missing and murdered Indigenous relatives cases;

(8) conduct case reviews and report on the results of case reviews for the following types of missing and murdered Indigenous relatives cases: cold cases for missing Indigenous people and death investigation review for cases of Indigenous people ruled as suicide or overdose under suspicious circumstances;

(9) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against an Indigenous person. These case reviews should identify those cases where the perpetrator is a repeat offender;

(10) prepare draft legislation as necessary to allow the office access to the data required for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(11) review sentencing guidelines for missing and murdered Indigenous women-related crimes, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(12) develop and maintain communication with relevant divisions in the Department of Public Safety regarding any cases involving missing and murdered Indigenous relatives and on procedures for investigating cases involving missing and murdered Indigenous relatives; ~~and~~

(13) coordinate, as relevant, with the Bureau of Indian Affairs' Cold Case Office through Operation Lady Justice and other federal efforts, as well as efforts in neighboring states and Canada. This recommendation pertains to state efforts. Tribes are sovereign nations that have the right to determine if and how they will coordinate with these other efforts~~.~~; and

(14) provide case support to victims and families of missing or murdered Indigenous relatives or their designated family representative or the reporting person. Case support includes but is not limited to providing support and guidance during the law enforcement investigation; facilitating

communication with criminal justice agencies and other government entities; compiling relevant information about ongoing cases; and providing information, referrals, and other types of support.

(b) As used in this subdivision:

(1) "reporting person" means the relative or nonrelative person who completed a case intake form with the office; and

(2) "victim" has the meaning given in section 611A.01.

(c) Data created, collected, received, stored, used, or maintained by the office related to paragraph (a), clause (14), are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 19. Minnesota Statutes 2024, section 299A.90, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(2) advocate for state agencies to take actions to facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to cases of missing and murdered Black women and girls;

(4) facilitate research to refine the mandates in the report of the Task Force on Missing and Murdered African American Women and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) collect data on missing person and homicide cases involving Black women and girls, including the total number of cases, the rate at which the cases are solved, the length of time the cases remain open, and a comparison to similar cases involving different demographic groups;

(6) collect data on Amber Alerts, including the total number of Amber Alerts issued, the total number of Amber Alerts that involve Black girls, and the outcome of cases involving Amber Alerts disaggregated by the child's race and sex;

(7) collect data on reports of missing Black girls, including the number classified as voluntary runaways, and a comparison to similar cases involving different demographic groups;

(8) analyze and assess the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(9) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(10) analyze and assess the intersection between cases involving murdered Black women and girls and domestic violence, including prior instances of domestic violence within the family or

relationship, whether an offender had prior convictions for domestic assault or related offenses, and whether the offender used a firearm in the murder or any prior instances of domestic assault;

(11) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving murdered Black women and girls and domestic violence;

(12) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(13) track and collect Minnesota data on missing and murdered Black women and girls, and provide statistics upon public or legislative inquiry;

(14) facilitate technical assistance for local and Tribal law enforcement agencies during active cases involving missing and murdered Black women and girls;

(15) conduct case reviews and report on the results of case reviews for the following types of cases involving missing and murdered Black women and girls: cold cases for missing Black women and girls and death investigation review for cases of Black women and girls ruled as suicide or overdose under suspicious circumstances;

(16) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against a Black woman or girl. These case reviews must identify those cases where the perpetrator is a repeat offender;

(17) prepare draft legislation as necessary to allow the office access to the data necessary for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(18) review sentencing guidelines for crimes related to missing and murdered Black women and girls, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(19) develop and maintain communication with relevant divisions in the Department of Public Safety, including but not limited to the Bureau of Criminal Apprehension, regarding any cases involving missing and murdered Black women and girls and on procedures for investigating cases involving missing and murdered Black women and girls;

(20) consult with the Council for Minnesotans of African Heritage established in section 15.0145; ~~and~~

(21) coordinate, as relevant, with federal efforts, and efforts in neighboring states and Canada~~.~~; and

(22) provide case support to victims and families of missing or murdered Black women and girls or their designated family representative or the reporting person. Case support includes but is not limited to providing support and guidance during the law enforcement investigation; facilitating communication with criminal justice agencies and other government entities; compiling relevant information about ongoing cases; and providing information, referrals, and other types of support.

(b) As used in this subdivision:

(1) "labor trafficking" has the meaning given in section 609.281, subdivision 5; ~~and~~

(2) "reporting person" means the relative or nonrelative person who completed a case intake form with the office;

~~(2)~~ (3) "sex trafficking" has the meaning given in section 609.321, subdivision 7a~~.~~; and

(4) "victim" has the meaning given in section 611A.01.

(c) Data created, collected, received, stored, used, or maintained by the office related to paragraph (a), clause (22), are private data on individuals as defined in section 13.02, subdivision 12.

Sec. 20. Minnesota Statutes 2024, section 518B.02, subdivision 2, is amended to read:

Subd. 2. **Standards for domestic abuse counseling programs and domestic abuse educational programs.** (a) Domestic abuse counseling or educational programs that provide group or class sessions for court-ordered domestic abuse offenders must provide documentation to the probation department or the court on program policies and how the program meets the criteria contained in paragraphs (b) to (l).

(b) Programs shall require offenders and abusing parties to attend a minimum of 24 sessions or 36 hours of programming, unless a probation agent has recommended fewer sessions. The documentation provided to the probation department or the court must specify the length of the program that offenders are required to complete.

(c) Programs must have a written policy requiring that counselors and facilitators report to the court and to the offender's probation or corrections officer any threats of violence made by the offender or abusing party, acts of violence by the offender or abusing party, violation of court orders by the offender or abusing party, and violation of program rules that resulted in the offender's or abusing party's termination from the program. Programs shall have written policies requiring that counselors and facilitators hold offenders and abusing parties solely responsible for their behavior.

Programs shall have written policies requiring that counselors and facilitators be violence free in their own lives.

(d) Each program shall conduct an intake process with each offender or abusing party. This intake process shall look for chemical dependency problems and possible risks the offender or abusing party might pose to self or others. The program must have policies regarding referral of a chemically dependent offender or abusing party to a chemical dependency treatment center. If the offender or abusing party poses a risk to self or others, the program shall report this information to the court, the probation or corrections officer, and the victim.

(e) If the offender or abusing party is reported back to the court or is terminated from the program, the program shall notify the victim of the circumstances unless the victim requests otherwise.

(f) Programs shall require court-ordered offenders and abusing parties to sign a release of information authorizing communication regarding the offender's or abusing party's progress in the program to the court, the offender's probation or corrections officer, other providers, and the victim. The offender or abusing party may not enter the program if the offender does not sign a release.

(g) If a counselor or facilitator contacts the victim, the counselor or facilitator must not elicit any information that the victim does not want to provide. A counselor or facilitator who contacts a victim shall (1) notify the victim of the right not to provide any information, (2) notify the victim of how any information provided will be used and with whom it will be shared, and (3) obtain the victim's permission before eliciting information from the victim or sharing information with anyone other than staff of the counseling program.

Programs shall have written policies requiring that counselors and facilitators inform victims of the confidentiality of information as provided by this subdivision. Programs must maintain separate files for information pertaining to the offender or abusing party and to the victim.

If a counselor or facilitator contacts a victim, the counselor or facilitator shall provide the victim with referral information for support services.

(h) Programs shall have written policies forbidding program staff from disclosing any confidential communication made by the offender or abusing party without the consent of the offender or abusing party, except that programs must warn a potential victim of imminent danger based upon information provided by an offender or abusing party.

(i) The counseling program or educational program must provide services in a group setting, unless the offender or abusing party would be inappropriate in a group setting.

Programs must provide separate sessions for male and female offenders and abusing parties.

(j) Programs shall have written policies forbidding program staff from offering or referring marriage or couples counseling until the offender or abusing party has completed a domestic abuse counseling program or educational program for the minimum number of court-ordered sessions and the counselor or facilitator reasonably believes that the violence, intimidation, and coercion has ceased and the victim feels safe to participate.

(k) Programs must have written policies requiring that the counselor or facilitator report when the court-ordered offender or abusing party has completed the program to the court and the offender's probation or corrections officer.

(l) Programs must have written policies to coordinate with the court, probation and corrections officers, ~~battered women's and~~ domestic abuse programs, child protection services, and other providers on promotion of victim safety and offender accountability.

Sec. 21. Minnesota Statutes 2025 Supplement, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which

the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, domestic abuse ~~victim~~ shelters and nonshelter programs, sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

Sec. 22. Minnesota Statutes 2024, section 609.605, subdivision 2, is amended to read:

Subd. 2. **Gross misdemeanor.** Whoever trespasses upon the grounds of a facility providing emergency shelter services for ~~battered women~~ domestic abuse victims, as defined under section 611A.31, subdivision 3, or providing comparable services for sex trafficking victims, as defined under section 609.321, subdivision 7b, or of a facility providing transitional housing for ~~battered women~~ domestic abuse victims and their children or sex trafficking victims and their children, without claim of right or consent of one who has right to give consent, and refuses to depart from the grounds of the facility on demand of one who has right to give consent, is guilty of a gross misdemeanor.

Sec. 23. Minnesota Statutes 2024, section 609.7495, subdivision 1, is amended to read:

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

(a) "Facility" means any of the following:

(1) a hospital or other health institution licensed under sections 144.50 to 144.56;

(2) a medical facility as defined in section 144.561;

(3) an agency, clinic, or office operated under the direction of or under contract with the commissioner of health or a community health board, as defined in section 145A.02;

(4) a facility providing counseling regarding options for medical services or recovery from an addiction;

(5) a facility providing emergency shelter services for ~~battered women~~ domestic abuse victims, as defined in section 611A.31, subdivision 3, or a facility providing transitional housing for ~~battered women~~ domestic abuse victims and their children;

(6) a facility as defined in section 260E.03, subdivision 6;

(7) a facility as defined in section 626.5572, subdivision 6, where the services described in that paragraph are provided;

(8) a place to or from which ambulance service, as defined in section 144E.001, is provided or sought to be provided; and

(9) a hospice provider licensed under section 144A.753.

(b) "Aggrieved party" means a person whose access to or egress from a facility is obstructed in violation of subdivision 2, or the facility.

Sec. 24. Minnesota Statutes 2024, section 611A.31, subdivision 5, is amended to read:

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the Department of ~~Corrections~~ Public Safety or a designee.

Sec. 25. Minnesota Statutes 2024, section 629.72, subdivision 2a, is amended to read:

Subd. 2a. **Electronic monitoring; condition of pretrial release.** (a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5a, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) Notwithstanding paragraph (a), the chief judge of a judicial district may appoint and convene an advisory group comprised of representatives from law enforcement, prosecutors, defense attorneys, corrections, court administrators, judges, and ~~battered women's~~ domestic abuse organizations to develop standards for the use of electronic monitoring and global positioning system devices to protect victims of domestic abuse and for evaluating the effectiveness of electronic monitoring. After the advisory group does this, the chief judge, in consultation with the advisory group, may conduct a pilot project for implementation of the electronic monitoring standards. A judicial district that conducts a pilot project shall report on the standards and the pilot project to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and the state court administrator's office.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "battered women" to "domestic abuse victims" or a similar term wherever the term or similar terms appear in Minnesota Statutes. The revisor must make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes.

ARTICLE 2

CRIME VICTIMS

Section 1. Minnesota Statutes 2024, section 609.133, subdivision 4, is amended to read:

Subd. 4. **Petition; contents; fee.** (a) A prosecutor's petition for sentence adjustment shall be filed in the district court where the individual was convicted and include the following:

(1) the full name of the individual on whose behalf the petition is being brought and, to the extent possible, all other legal names or aliases by which the individual has been known at any time;

(2) the individual's date of birth;

(3) the individual's address;

(4) a brief statement of the reason the prosecutor is seeking a sentence adjustment for the individual;

(5) the details of the offense for which an adjustment is sought, including:

(i) the date and jurisdiction of the occurrence;

(ii) ~~either the names of any victims or that there were no~~ the number of identifiable victims;

(iii) whether there is a current order for protection, restraining order, or other no contact order prohibiting the individual from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the individual from contacting the victims;

(iv) the court file number; and

(v) the date of conviction;

(6) what steps the individual has taken since the time of the offense toward personal rehabilitation, including treatment, work, good conduct within correctional facilities, or other personal history that demonstrates rehabilitation;

(7) the individual's criminal conviction record indicating all convictions for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions in any other state, federal court, or foreign country, whether the convictions occurred before or after the conviction for which an adjustment is sought;

(8) the individual's criminal charges record indicating all prior and pending criminal charges against the individual in this state or another jurisdiction, including all criminal charges that have been continued for dismissal, stayed for adjudication, or were the subject of pretrial diversion; and

(9) to the extent known, all prior requests by the individual, whether for the present offense or for any other offenses in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) The filing fee for a petition brought under this section shall be waived.

(c) Notwithstanding chapter 13 or any other statute related to the classification of government data, a supervising agent or the commissioner of corrections may provide private or confidential data to a prosecutor for purposes of a petition for sentence adjustment.

Sec. 2. Minnesota Statutes 2024, section 609.3471, is amended to read:

609.3471 RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.322, 609.342, 609.343, 609.344, 609.345, 609.3453, ~~or~~ 609.3458, or 617.246, which specifically identifies a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 3. Minnesota Statutes 2024, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. **Plea agreements; notification of victim.** Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(1) the contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement;

(2) the right to be present at the sentencing hearing ~~and~~, to be present at the hearing during which the plea is presented to the court, and to express at the plea hearing orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court; and

(3) the eligibility ~~of the offense~~ for automatic expungement pursuant to section 609A.015 of any offense pleaded to or dismissed as part of the plea agreement.

Sec. 4. Minnesota Statutes 2024, section 611A.03, is amended by adding a subdivision to read:

Subd. 4. **Plea hearing.** At the hearing during which the plea is presented to the court, the court shall ask the prosecutor if the victim has been notified of the plea agreement recommendation pursuant to this section; has been notified of the plea hearing; and if the victim wishes to express their objections to the plea agreement orally, in writing, or through the prosecutor.

Sec. 5. Minnesota Statutes 2024, section 611A.036, subdivision 7, is amended to read:

Subd. 7. **Definition.** As used in this section, "violent crime" means a violation or attempt to violate any of the following: section 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.2241 (knowing

transfer of communicable disease); 609.2242 (domestic assault); 609.2245 (female genital mutilation); 609.2247 (domestic assault by strangulation); 609.228 (great bodily harm caused by distribution of drugs); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.247 (carjacking); 609.25 (kidnapping); 609.255 (false imprisonment); 609.265 (abduction); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.2672 (assault of an unborn child in the third degree); 609.268 (injury or death of an unborn child in commission of a crime); 609.282 (labor trafficking); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.561, subdivision 1 (arson in the first degree; dwelling); 609.582, subdivision 1, paragraph (a) or (c) (burglary in the first degree; occupied dwelling or involving an assault); 609.66, subdivision 1e, paragraph (b) (drive-by shooting; firing at or toward a person, or an occupied building or motor vehicle); ~~or~~ 609.749, subdivision 2 (harassment); or 609.749, subdivision 5 (stalking); or Minnesota Statutes 2012, section 609.21.

Sec. 6. Minnesota Statutes 2024, section 611A.038, is amended to read:

611A.038 RIGHT TO SUBMIT STATEMENT AT SENTENCING.

(a) A victim has the right to submit an impact statement to the court at the time of sentencing or disposition hearing. The impact statement may be presented to the court orally or in writing, at the victim's option. If the victim requests, the prosecutor or the prosecutor's designee must orally present the statement to the court. Statements may include the following, subject to reasonable limitations as to time and length:

(1) a summary of the harm or trauma suffered by the victim as a result of the crime;

(2) a summary of the economic loss or damage suffered by the victim as a result of the crime; and

(3) a victim's reaction to the proposed sentence or disposition.

(b) At the sentencing or disposition hearing, the court shall ask the prosecutor if the victim has been notified of the hearing, if the victim is in court, and if the victim wishes to submit a victim impact statement orally, in writing, or through the prosecutor or the prosecutor's designee.

~~(b)~~ (c) A representative of the community affected by the crime may submit an impact statement in the same manner that a victim may as provided in paragraph (a). This impact statement shall describe the adverse social or economic effects the offense has had on persons residing and businesses operating in the community where the offense occurred.

~~(c)~~ (d) If the court permits the defendant or anyone speaking on the defendant's behalf to present a statement to the court, the court shall limit the response to factual issues which are relevant to sentencing.

~~(d)~~ (e) Nothing in this section shall be construed to extend the defendant's right to address the court under section 631.20.

Sec. 7. Minnesota Statutes 2024, section 611A.039, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** (a) Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case ~~and~~, of the victim rights under section 611A.06, and of the eligibility of the offense for automatic expungement under section 609A.015 of any offense that was dismissed or for which the defendant was convicted or acquitted. When the court is considering modifying the sentence for a felony or a crime of violence or an attempted crime of violence, the prosecutor shall make a reasonable and good faith effort to notify the victim of the crime. The notice must include:

(1) the date and approximate time of the review;

(2) the location where the review will occur;

(3) the name and telephone number of a person to contact for additional information; and

(4) a statement that the victim may provide input to the court concerning the sentence modification.

(b) The Office of Justice Programs in the Department of Public Safety shall develop and update a model notice of postconviction rights under this subdivision and section 611A.06.

(c) As used in this section:

(1) "crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes violations of section 609.3458, gross misdemeanor violations of section 609.224, and nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and

(2) "victim" has the meaning given in section 611A.01, paragraph (b).

ARTICLE 3

IMPAIRED DRIVING; DRIVERS' LICENSES

Section 1. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 41. **Credential identifier and designation data.** Data related to identifiers and designations on driver's licenses and Minnesota identification cards are governed by section 171.12, subdivision 7d.

Sec. 2. Minnesota Statutes 2024, section 171.09, subdivision 3, is amended to read:

Subd. 3. **No-alcohol restriction.** (a) As used in this subdivision, "impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon proper application by a person having a valid driver's license containing the restriction that the person must not consume alcohol or controlled substances, who has not been documented as having consumed alcohol or having possessed or used a controlled substance within the past ~~ten~~ 20 years, and whose driving record contains no impaired driving incident within the past ~~ten~~ 20 years, the commissioner must remove the no-alcohol/controlled substance restriction on the person's driving record and issue to the person a duplicate driver's license that does not show that restriction.

Sec. 3. Minnesota Statutes 2025 Supplement, section 171.12, subdivision 7, is amended to read:

Subd. 7. **Privacy of data.** (a) Data on individuals provided to obtain a driver's license or Minnesota identification card ~~shall~~ must be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, ~~and shall~~ must be disclosed as required ~~or~~ by that section, and may be disclosed as permitted by that section. The commissioner ~~shall~~ may disclose the data in bulk form upon request to an authorized recipient under United States Code, title 18, section 2721. For any disclosure of data on individuals related to a noncompliant driver's license or identification card, the commissioner must require a certification pursuant to subdivision 7b, paragraph (e).

(b) An applicant for a driver's license or a Minnesota identification card may consent, in writing, to the commissioner to disclose the applicant's personal information exempted by United States Code, title 18, section 2721, to any person who makes a request for the personal information. If the applicant so authorizes disclosures, the commissioner ~~shall~~ must implement the request and the information may be used.

(c) If authorized by an applicant for a driver's license or a Minnesota identification card, as indicated in paragraph (b), the applicant's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes, including surveys, marketing, or solicitation.

(d) An applicant for a driver's license, instruction permit, or Minnesota identification card may request that the applicant's residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner ~~shall~~ must grant the classification on receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner ~~shall~~ must use the service for process mailing address in place of the residence address in all documents and notices pertaining to the driver's license, instruction permit, or Minnesota identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518A.26, subdivision 18.

Sec. 4. Minnesota Statutes 2024, section 171.12, subdivision 7c, is amended to read:

Subd. 7c. **Other data provisions.** (a) The commissioner must not share any data the department maintains under section 171.07, ~~subdivision~~ subdivisions 6a, 6b, or 13, with any federal agency, federal department, or federal entity for a use that would otherwise be permissible under United States Code, title 18, section 2721, or other law.

(b) Data collected by government entities under sections 624.712 to 624.719 are classified under section 13.87, subdivision 2.

Sec. 5. Minnesota Statutes 2024, section 171.12, is amended by adding a subdivision to read:

Subd. 7d. **Certain data on indicators and designations.** Data maintained by the commissioner under section 171.07, subdivisions 5 to 7, 11 to 13, 15, and 17 to 20 are private data on individuals, as defined in section 13.02, subdivision 12.

Sec. 6. Minnesota Statutes 2024, section 171.177, subdivision 8, is amended to read:

Subd. 8. **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 pursuant to a search warrant 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 pursuant to a search warrant 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~~ 14 days; and

(3) send the notification of this action to the commissioner along with the certificate required by subdivision 4 or 5.

Sec. 7. Minnesota Statutes 2025 Supplement, section 171.178, subdivision 5, is amended to read:

Subd. 5. **Driving while impaired conviction or adjudication; period of license revocation.** (a) Notwithstanding the periods specified in subdivisions 3 and 4 and except as provided in section 169A.54, subdivision 7, a revocation by the commissioner as required under section 169A.54, subdivision 1, or 171.17, subdivision 1, paragraph (a), clause (3) or (10), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1, must be for the following periods:

(1) if the person has no qualified prior impaired driving incidents within the past 20 years:

(i) not less than 30 days if the person is convicted of an offense under section 169A.20, subdivision 1 (driving while impaired);

(ii) not less than 90 days if the person is convicted of an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test);

(iii) not less than 180 days if the person is under 21 years of age and the test results indicate an alcohol concentration of less than twice the legal limit; or

(iv) not less than one year if the test results indicate an alcohol concentration of twice the legal limit or more; or

(2) if the person has one qualified prior impaired driving incident within the past 20 years, or two or more qualified prior impaired driving incidents, until the commissioner determines that the person used an ignition interlock device in compliance with section 171.306 for the period of time described in subdivision 8.

(b) Whenever department records show that the violation involved personal injury or death to any person, at least 90 additional days must be added to the base periods provided in paragraph (a), clause (1), items (i) to (iv).

(c) A person whose license has been revoked as described in subdivision 3, clause (1), or subdivision 4, clause (1), as the result of the same incident for which the person was convicted is subject to the revocation periods specified in this subdivision, unless the violation under section 169A.20 (driving while impaired) was with an aggravating factor described in section 169A.03, subdivision 3, clause (3).

Sec. 8. Minnesota Statutes 2025 Supplement, section 171.306, 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) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Location tracking capabilities" means the ability of an electronic or wireless device to identify and transmit its geographic location through the operation of the device.

(d) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been:

(1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision 1, clause (10); ~~171.17, subdivision 1, paragraph (a), clause (10), for conviction of an offense in another state that would be grounds for revocation in this state under section 169A.54, subdivision 1; or~~ 171.177; or for a violation of the law of another state in conformity with any of these sections; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (2), or suspended under section 171.187, for a violation of section 609.2112, subdivision 1, paragraph (a), clause (2), ~~item~~

~~(i) or (iv),~~ (3), ~~or~~ (4), (5), or (6); 609.2113, subdivision 1, clause (2), ~~item (i) or (iv),~~ (3), ~~or~~ (4), (5), or (6); subdivision 2, clause (2), ~~item (i) or (iv),~~ (3), ~~or~~ (4), (5), or (6); or subdivision 3, clause (2), ~~item (i) or (iv),~~ (3), ~~or~~ (4), (5), or (6); or 609.2114, subdivision 1, paragraph (a), clause (2), ~~item (i) or (iv),~~ (3), ~~or~~ (4), (5), or (6); or subdivision 2, clause (2), ~~item (i) or (iv),~~ (3), ~~or~~ (4), ~~resulting in bodily harm, substantial bodily harm, great bodily harm, or death~~ (5), or (6).

(e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Sec. 9. **REPEALER.**

Minnesota Statutes 2024, section 169A.54, subdivision 6, is repealed.

ARTICLE 4

BUREAU OF CRIMINAL APPREHENSION

Section 1. Minnesota Statutes 2024, section 299C.05, is amended to read:

299C.05 CRIME DATA COLLECTION.

It shall be the duty of this division to collect, and preserve as a record of the bureau, information concerning the number and nature of offenses known to have been committed in the state, of the legal steps taken in connection therewith from the inception of the complaint to the final discharge of the defendant, and such other information as may be useful in the study of crime and the administration of justice. The information shall be provided in a form prescribed by the superintendent. The information so collected and preserved shall include such data as may be requested by the United States Department of Justice, at Washington, under its national system of crime reporting. To the extent possible, the superintendent must utilize a nationally recognized system or standard approved by the Federal Bureau of Investigation to collect and preserve crime data.

Sec. 2. Minnesota Statutes 2024, section 299C.065, is amended to read:

299C.065 UNDERCOVER BUY FUND; WITNESS AND VICTIM PROTECTION.

Subdivision 1. ~~**Grants**~~ **Reimbursements.** The commissioner of public safety shall make ~~grants~~ reimbursements to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322 or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution;

(5) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy; and

(6) for partial reimbursement of local costs associated with criminal investigations into the activities of violent criminal gangs and gang members.

Subd. 1a. **Witness and victim protection fund.** (a) A witness and victim protection fund is created under the administration of the commissioner of public safety. The commissioner may make ~~grants~~ reimbursements to local officials to provide for the relocation or other protection of a victim, witness, or potential witness who is involved in a criminal prosecution and who the commissioner has reason to believe is or is likely to be the target of a violent crime or a violation of section 609.498 or 609.713, in connection with that prosecution. The awarding of ~~grants~~ reimbursements under this subdivision is not limited to the crimes and investigations described in subdivision 1.

(b) The commissioner may award ~~grants~~ reimbursements for any of the following actions in connection with the protection of a witness or victim under this subdivision:

(1) to provide suitable documents to enable the person to establish a new identity or otherwise protect the person;

(2) to provide housing for the person;

(3) to provide for the transportation of household furniture and other personal property to the person's new residence;

(4) to provide the person with a payment to meet basic living expenses for a time period the commissioner deems necessary;

(5) to assist the person in obtaining employment; and

(6) to provide other services necessary to assist the person in becoming self-sustaining.

Subd. 2. **Application for ~~grant~~ reimbursement.** A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a ~~grant~~ reimbursement for any of the purposes described in subdivision 1 or 1a, on forms and pursuant to procedures developed by the superintendent. For ~~grants~~ reimbursements under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. **Investigation report.** A report shall be made to the commissioner at the conclusion of an investigation for which a ~~grant~~ reimbursement was made under subdivision 1 stating (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money," of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the chairs of the committees in the senate and house

of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a report of investigations receiving ~~grants~~ reimbursements under subdivision 1.

Subd. 3a. **Accounting report.** The head of a law enforcement agency that receives a ~~grant~~ reimbursement under subdivision 1a shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare and submit to the chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each even-numbered year a summary report of witness assistance services provided under this section.

Subd. 4. **Data classification.** An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Sec. 3. Minnesota Statutes 2024, section 299C.46, subdivision 6, is amended to read:

Subd. 6. **Orders for protection; no contact orders; harassment restraining orders.** (a) As used in this subdivision, "no contact orders" include orders issued as pretrial orders under section 629.72, subdivision 2, orders under section 629.75, and orders issued as probationary or sentencing orders at the time of disposition in a criminal domestic abuse case.

(b) The data communications network must include orders for protection issued under section 518B.01 or 609.2334, harassment restraining orders, and no contact orders issued against adults and juveniles. A no contact order must be accompanied by a photograph of the offender for the purpose of enforcement of the order, if a photograph is available and verified by the court to be an image of the defendant.

(c) Data from orders for protection, harassment restraining orders, or no contact orders and data entered by law enforcement to assist in the enforcement of those orders are classified as private data on individuals as defined in section 13.02, subdivision 12. Data about the offender can be shared with the victim for purposes of enforcement of the order.

Sec. 4. Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11, is amended to read:

Subd. 11. **Copy to law enforcement agency; lead investigative agency.** Within 24 hours of issuance of an order or continuance of an order under this section, the court administrator must forward the order for protection and any continuance of the order for protection to the local law enforcement agency with jurisdiction over the residence of the vulnerable adult and the lead investigative agency that received the report pursuant to subdivision 6. The court administrator shall make available to law enforcement officers in Minnesota, through a system of verification, information as to the existence and status of an order for protection issued under this section. Section 518B.01, subdivision 13, ~~applies~~ paragraphs (b) and (c), apply to orders granted under this section.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 5. Minnesota Statutes 2024, section 609A.015, subdivision 5, is amended to read:

Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief.** (a) The Bureau of Criminal Apprehension shall identify any records that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3. The Bureau of Criminal Apprehension shall make an initial determination of eligibility within 30 days of the end of the applicable waiting period. If a record is not eligible for a grant of expungement at the time of the initial determination, the Bureau of Criminal Apprehension shall make subsequent eligibility determinations annually until the record is eligible for a grant of expungement.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making a determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) If the Bureau of Criminal Apprehension subsequently determines that a sealed record did not qualify for expungement relief under this section, the Bureau of Criminal Apprehension shall unseal the record and notify the judicial branch. Upon notification, the judicial branch shall unseal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge. The Bureau of Criminal Apprehension shall make this determination based only on a record stored in its criminal history system.

~~(f)~~ (g) The Bureau of Criminal Apprehension shall inform each law enforcement agency that its records may be affected by a grant of expungement relief. Notification may be through electronic means. Each notified law enforcement agency that receives a request to produce records shall first determine if the records were subject to a grant of expungement under this section. The law enforcement agency must not disclose records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and must maintain the data consistent with the classification in paragraph ~~(g)~~ (h). This paragraph does not

apply to requests from a criminal justice agency as defined in section 609A.03, subdivision 7a, paragraph (f).

~~(g)~~ (h) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph ~~(f)~~ (g), are private data on individuals as defined in section 13.02, subdivision 12.

~~(h)~~ (i) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

~~(i)~~ (j) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

~~(j)~~ (k) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

Sec. 6. **REPEALER.**

Minnesota Statutes 2024, section 299C.12, is repealed.

ARTICLE 5

DEPARTMENT OF CORRECTIONS LICENSING

Section 1. **[241.011] LICENSING AND INSPECTING JUVENILE AND ADULT COMMUNITY-BASED RESIDENTIAL CORRECTIONAL FACILITIES.**

Subdivision 1. **Scope.** Except as provided under section 241.021, sections 241.011 to 241.013 apply to juvenile and adult community-based residential correctional facilities licensed by the commissioner of corrections. For the purposes of sections 241.011 to 241.013, juvenile and adult community-based residential correctional facilities are defined as local correctional facilities.

Subd. 2. **Definitions.** (a) For purposes of sections 241.011 to 241.021, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of corrections.

(c) "Critical incident" has the meaning given in Minnesota Rules, part 2960.0020, subpart 24.

(d) "Department" means the Department of Corrections.

(e) "Emergency or unusual occurrence" means an incident that must be reported to the commissioner through the department's detention information system.

(f) "Facility administrator" means the officer in charge of a local correctional facility.

(g) "Local correctional facility" includes:

(1) a facility licensed to house or serve primarily adults under section 241.31; and

(2) a facility licensed to detain or serve juveniles, including a group home having a residential component or foster care facility placements under chapter 260C, for the primary purpose of:

(i) residential care and treatment;

(ii) detention; or

(iii) foster care services for children in need of out-of-home placement.

(h) "State correctional facility" means a correctional facility under the commissioner's control.

Subd. 3. **Local correctional facilities; inspection and licensing.** The commissioner must inspect and license all local correctional facilities throughout the state established and operated:

(1) for serving or housing individuals in the facilities; or

(2) consistent with section 241.013, subdivision 4, paragraph (a), for detaining or serving juveniles placed in the facilities by a correctional or noncorrectional agency.

Subd. 4. **Inspecting facilities for compliance; publishing inspection reports.** (a) Unless the commissioner determines otherwise, the commissioner must inspect all local correctional facilities at least once every two years to determine compliance with the minimum standards established according to sections 241.011 to 241.013 or any other law related to minimum standards and conditions of confinement, not including section 241.021, subdivisions 1 to 1e.

(b) The commissioner must have access to a facility's buildings, grounds, books, records, and staff and to individuals detained or housed in or served by the facility. The commissioner may require facility administrators to furnish all information and statistics that the commissioner deems necessary at a time and place designated by the commissioner.

(c) The commissioner must post each facility inspection report publicly on the department's website within 30 days after completing an inspection.

Subd. 5. **Granting license; expiration.** (a) The commissioner must grant a license for up to two years to:

(1) any facility found to conform to minimum standards; or

(2) any facility that the commissioner determines is making satisfactory progress toward substantial conformity and any minimum standards not being met do not impact the interests and well-being of the individuals detained or housed in or served by the facility.

(b) A limited license may be issued to effectuate a facility closure.

(c) Unless otherwise provided by law, all licenses issued under sections 241.011 to 241.013 expire 12:01 a.m. on the day after the expiration date stated on the license.

Subd. 6. **Providing and accessing facility data.** (a) The commissioner may require that any information under sections 241.011 to 241.013 be provided through the department's detention information system.

(b) Notwithstanding chapter 13 or any other state law classifying or restricting access to data, a facility administrator must furnish to the commissioner all data available to a facility that the commissioner deems necessary for reviewing any critical incident or emergency or unusual occurrence at the facility.

(c) The commissioner may take action against a facility's license according to section 241.012 if a facility administrator fails to provide or grant access to relevant information or statistics requested by the commissioner that are necessary to conduct or complete:

(1) inspections;

(2) reviews of emergency or unusual occurrences; or

(3) reviews of critical incidents.

Subd. 7. **Reporting; deaths, emergencies or unusual occurrences, and critical incidents.** (a) A facility administrator must report a death to the commissioner when:

(1) an individual detained or housed in the facility dies at the facility; or

(2) an individual dies while receiving medical care stemming from an incident or need for medical care at the facility that occurred while the individual was detained or housed in the facility.

(b) Paragraph (a), clause (2), applies regardless of whether the individual was subject to the facility's authority while requiring or receiving the medical care.

(c) A facility administrator must:

(1) report a death under this subdivision as soon as practicable, but no later than 24 hours of receiving knowledge of the death; and

(2) include any demographic information required by the commissioner.

(d) Except for deaths under paragraphs (a) to (c), all facility administrators must report all critical incidents or emergency or unusual occurrences to the commissioner within ten days of the incident or occurrence, including any demographic information required by the commissioner.

Subd. 8. **Death review teams.** (a) If a local correctional facility under subdivision 2, paragraph (g), clause (2), receives notice of the death of an individual who died under circumstances described in subdivision 7, paragraph (a), within 90 days of the death, the following individuals must review the circumstances of the death and assess for preventable mortality and morbidity, including but not limited to recommending policy or procedure change:

(1) the facility administrator;

(2) a medical expert of the facility's choosing who did not provide medical services to the individual and who is licensed as a physician or physician assistant by the Board of Medical Practice under chapter 147 or 147A; and

(3) if appropriate, a mental health expert.

(b) The investigating law enforcement agency may provide documentation for, participate in, or provide documentation for and participate in the review if criminal charges are not brought. A preliminary autopsy report must be provided as part of the review and any subsequent autopsy findings as available.

(c) The facility administrator must notify the commissioner via the department's detention information system that the facility has conducted a review and identify any recommendations for changes in policy, procedure, or training that will be implemented.

(d) Any report or other documentation created for purposes of a facility death review is confidential data on individuals under section 13.02, subdivision 3. Nothing in this section relieves the facility administrator from complying with the notice of death to the commissioner required under subdivision 7.

Subd. 9. **Rulemaking.** (a) The commissioner must adopt rules establishing minimum standards for local correctional facilities for the management, operation, and physical condition of the facilities and the security, safety, health, treatment, and discipline of individuals detained or housed in or served by the facilities.

(b) The time limit to adopt rules under section 14.125 does not apply to amendments to rule chapters in effect on the effective date of this section.

Sec. 2. **[241.012] LICENSING ACTIONS AGAINST JUVENILE AND ADULT COMMUNITY-BASED RESIDENTIAL CORRECTIONAL FACILITIES.**

Subdivision 1. **Correction order; conditional license.** (a) For any local correctional facility under section 241.011, subdivision 2, paragraph (g), the commissioner must:

(1) promptly notify the facility administrator and the facility's governing board of a deficiency if the commissioner finds that:

(i) the facility does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance; and

(ii) the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the individuals detained or housed in or served by the facility; and

(2) issue a correction order or a conditional license order requiring that the deficiency be remedied within a reasonable and specified period.

(b) A conditional license order may restrict the use of any facility that does not substantially conform to minimum standards, including by:

(1) imposing conditions limiting operation of the facility or parts of the facility;

(2) reducing facility capacity;

(3) limiting intake;

(4) limiting length of detention or placement for individuals; or

(5) imposing detention or placement limitations based on the needs of the detained or housed individuals or individuals served by the facility.

(c) A correction order or conditional license order must clearly state:

(1) the specific minimum standards violated, noting the implicated rule or statute;

(2) the findings that constitute a violation of minimum standards;

(3) the corrective action needed;

(4) the time allowed to correct each violation; and

(5) if a license is made conditional:

(i) the length and terms of the conditional license;

(ii) any conditions limiting operation of the facility or parts of the facility; and

(iii) the reasons for making the license conditional.

(d) Nothing in this section prohibits the commissioner from ordering a revocation under subdivision 3 before issuing a correction order or conditional license order.

Subd. 2. **Requesting review of conditional license order.** (a) A facility administrator may request that the commissioner review the findings in a conditional license order under subdivision 1 on the grounds that satisfactory progress toward substantial compliance with minimum standards has been made, supported by evidence of correction. If appropriate, the request may include a written schedule for compliance.

(b) Within ten business days of receiving a request, the commissioner must review the evidence of correction and the progress made toward substantial compliance with minimum standards.

(c) When the commissioner has assurance that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner must:

(1) modify or lift any conditions limiting operation of the facility or parts of the facility; or

(2) remove the conditional license order.

Subd. 3. **License revocation order.** (a) After due notice to a facility administrator of the commissioner's intent to issue a revocation order, the commissioner may issue an order revoking a facility's license if the commissioner finds that:

(1) the facility does not conform to minimum standards or is not making satisfactory progress toward substantial compliance with minimum standards; and

(2) the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the individuals detained or housed in or served by the facility.

(b) The notice of intent to issue a revocation order must include:

(1) the citation to minimum standards that have been violated;

(2) the nature and severity of each violation;

(3) whether the violation is recurring or nonrecurring;

(4) the effect of the violation on individuals detained or housed in or served by the facility;

(5) an evaluation of the risk of harm to individuals detained or housed in or served by the facility; and

(6) relevant facts, conditions, and circumstances related to the facility's operation, including, at a minimum:

(i) specific facility deficiencies that endanger the health or safety of individuals detained or housed in or served by the facility;

(ii) substantiated complaints relating to the facility; or

(iii) any other evidence that the facility is not in compliance with minimum standards.

(c) Within 30 days of receiving a notice under paragraph (b), the facility administrator must submit a written response with:

(1) any information related to errors in the notice and the facility's ability to conform to minimum standards within a set period, including but not limited to a written schedule for compliance and any other information that the facility administrator deems relevant for the commissioner's consideration; and

(2) a written plan:

(i) indicating how the facility will ensure the transfer of individuals detained or housed in or served by the facility and records if the facility closes; and

(ii) specifying arrangements that the facility will make to transfer individuals detained or housed in or served by the facility to another licensed local correctional facility for continuation of detention.

(d) When revoking a license, the commissioner must consider:

(1) the nature, chronicity, or severity of the statute or rule violation; and

(2) the effect of the violation on the health, safety, or rights of individuals detained or housed in or served by the facility.

(e) The commissioner must issue a revocation order if the facility administrator does not respond within 30 days to the notice or if the commissioner does not have assurance that satisfactory progress toward substantial compliance with minimum standards will be made. The revocation order must be sent to the facility administrator and the facility's governing board, clearly stating:

(1) the specific minimum standards violated, noting the implicated rule or statute;

(2) the findings that constitute a violation of minimum standards and the nature, chronicity, or severity of the violations;

(3) the corrective action needed;

(4) any prior correction order or conditional license order issued to correct a violation; and

(5) the date on which the license revocation will occur.

(f) A revocation order may authorize facility use until a certain date, not to exceed the duration of the active license:

(1) unless a limited license is issued by the commissioner to effectuate a facility closure; and

(2) if continued operation does not present an imminent risk of life-threatening harm or is not likely to result in serious physical injury to the individuals detained or housed in or served by the facility.

(g) After a facility's license is revoked, the facility must not be used until the license is reinstated. When the commissioner is assured that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner may, at the request of the facility administrator supported by a written schedule for compliance, reinstate the license.

Subd. 4. **Reconsideration orders.** (a) If a facility administrator believes that a correction order, conditional license order, or revocation order is in error, the facility administrator may ask the commissioner to reconsider the parts of the order or action that are alleged to be in error. The request for reconsideration must:

(1) be made in writing;

(2) be postmarked and sent to the commissioner within 30 calendar days after receiving the order;

(3) specify the parts of the order or the action that is alleged to be in error;

(4) explain why the order or action is in error; and

(5) include documentation to support the allegation of error.

(b) The commissioner must issue a disposition within 60 days of receiving the facility administrator's response under paragraph (a). A request for reconsideration does not stay any provisions or requirements of the order.

Subd. 5. **Temporary immediate license suspension.** (a) The commissioner must act immediately to temporarily suspend a license issued under sections 241.011 to 241.013 if:

(1) the facility's failure to comply with applicable minimum standards or the conditions in the facility pose an imminent risk of life-threatening harm or serious physical injury to individuals detained or housed in or served by the facility, staff, law enforcement, visitors, or the public and:

(i) if the imminent risk of life-threatening harm or serious physical injury cannot be promptly corrected through a different type of order under this section; and

(ii) the facility cannot or has not corrected the violation giving rise to the imminent risk of life-threatening harm or serious physical injury; or

(2) while the facility continues to operate pending due notice and opportunity for written response to the commissioner's notice of intent to issue a revocation order under subdivision 3, the commissioner identifies one or more subsequent violations of minimum standards that may adversely affect the health or safety of individuals detained or housed in or served by the facility, staff, law enforcement, visitors, or the public.

(b) A notice stating the reasons for the temporary immediate suspension must be delivered by personal service to the facility administrator and the facility's governing board.

(c) A facility administrator and the facility's governing board must discontinue operating the facility upon receiving the commissioner's order to immediately suspend the license.

Subd. 6. **Requesting reconsideration of temporary immediate suspension.** (a) A facility administrator may request reconsideration of an order immediately suspending a license. The request for reconsideration must be made in writing and sent by certified mail or personal service as follows:

(1) if mailed, the request for reconsideration must be postmarked and sent to the commissioner within five business days after the facility administrator receives notice that the license has been immediately suspended; and

(2) if a request is made by personal service, the request must be received by the commissioner within five business days after the facility administrator received the order.

(b) The request for reconsideration must:

(1) specify the parts of the order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(c) Within five business days of receiving the facility administrator's timely request for reconsideration, the commissioner must review the request. For a review under subdivision 5, paragraph (a), clause (2), the review must be limited solely to whether the temporary immediate suspension order should remain in effect pending the written response to the commissioner's notice of intent to issue a revocation order.

Subd. 7. **Appealing commissioner's reconsideration request.** (a) The commissioner's disposition of a request for reconsideration of a correction, conditional license, temporary immediate suspension, or revocation order is final and subject to appeal. Before a facility administrator may request an appeal under paragraph (b), the facility administrator must request reconsideration according to this section of any correction, conditional license, temporary immediate suspension, or revocation order.

(b) Within 60 days after the postmark date of the mailed notice of the commissioner's decision on a request for reconsideration, the facility administrator may appeal the decision by filing for a writ of certiorari with the court of appeals under section 606.01 and Minnesota Rules of Civil Appellate Procedure, Rule 115.

Subd. 8. **Public notice of restriction, revocation, or suspension.** If a facility's license is revoked or suspended under this section, a facility's use is restricted for any reason under a conditional license order, or a correction order is issued to a facility, the commissioner must publicly post the following information on the department's website:

(1) the facility name;

(2) the status of the facility's license;

(3) the reason for the correction order, restriction, revocation, or suspension; and

(4) any subsequent findings by the commissioner identifying satisfactory progress toward substantial compliance with minimum standards.

Sec. 3. **[241.013] LICENSING AND INSPECTING LOCAL JUVENILE CORRECTIONAL FACILITIES.**

Subdivision 1. **Scope.** This section applies to local juvenile correctional facilities under section 241.011, subdivision 2, paragraph (g), licensed by the commissioner of corrections to detain or serve juveniles, including those providing residential or foster care facility placements under chapter 260C.

Subd. 2. **Facilities for children and youth; inspection and licensing.** (a) Notwithstanding any provisions in sections 245A.03; 245A.04; and 256.01, subdivision 2, paragraph (a), clause (2); and chapter 245C to the contrary, the commissioner must inspect all local juvenile correctional facilities under section 241.011, subdivision 3, except as provided under paragraph (c).

(b) The commissioner must grant a license for up to two years to a county, municipality, or facility:

(1) according to section 241.011, subdivision 5; and

(2) if the commissioner is satisfied that the interests and well-being of children and youth are protected.

(c) For local juvenile correctional facilities licensed by the commissioner of human services, the commissioner of corrections may inspect and certify programs based on certification standards under Minnesota Rules. For purposes of this paragraph, "certification" has the meaning given in section 245A.02.

Subd. 3. **Commissioner consultation.** Local juvenile correctional facilities must consult with the commissioner as needed to strengthen services to children and youth.

Subd. 4. **Affected municipality; notice.** (a) The commissioner must not grant a license to a local juvenile correctional facility without giving 30 calendar days' written notice to any affected municipality or other political subdivision unless the facility:

(1) has a licensed capacity of six or fewer individuals; and

(2) is occupied by either the licensee or a group foster home parent.

(b) The notification must be given before the license is first granted and annually thereafter if annual notification is requested in writing by the affected municipality or other political subdivision.

(c) State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a foster care facility licensed under this section until the requirements under this subdivision have been met.

Subd. 5. **Licensing with juveniles from outside state.** The commissioner must not issue or renew a license to a facility under this section to operate a local juvenile correctional facility if:

(1) the facility accepts juveniles who reside outside Minnesota; and

(2) there is no agreement with the entity placing the juvenile at the facility that obligates the entity to pay the juvenile's educational expenses.

Subd. 6. **Licensing actions.** The licensing actions under section 241.012 apply to a facility licensed under this section.

Subd. 7. **Education for juveniles.** Notwithstanding subdivision 1, the education program offered in a state or local correctional facility for the placement, confinement, or incarceration of juveniles must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

Subd. 8. **Rulemaking.** (a) The commissioner must adopt rules for local juvenile correctional facilities according to Laws 1995, chapter 226, article 3, sections 50, 51, and 60, as amended.

(b) The time limit to adopt rules under section 14.125 does not apply to amendments to Minnesota Rules, chapter 2960, in effect on the effective date of this section.

Sec. 4. **[241.014] SECURITY AUDITS FOR STATE CORRECTIONAL FACILITIES.**

Subdivision 1. **Purpose.** This section applies to state correctional facilities.

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

(b) "Audit group" means the state correctional facilities security audit group under subdivision 5.

(c) "Corrections and detention confidential data" has the meaning given in section 13.85, subdivision 3.

(d) "Security information" has the meaning given in section 13.37, subdivision 1.

Subd. 3. **Biennial report and audit of security practices.** The department's inspection unit must conduct biennial security audits of each state correctional facility using the standards established by the audit group. The inspection unit must:

(1) prepare a report for each audit; and

(2) submit the report to the audit group within 30 days of completing the audit.

Subd. 4. **Data.** (a) Corrections and detention confidential data and security information contained in reports and records of the audit group:

(1) must maintain that classification, regardless of the data's classification in the hands of the person who provided the data; and

(2) are not subject to discovery or introduction into evidence in a civil or criminal action against the state arising out of any matter that the audit group is reviewing.

(b) Information, documents, and records otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because the information, documents, and records were acquired during an audit.

(c) Nothing in this subdivision limits a person who presented information to the audit group or who is an audit group member from testifying about matters within the person's knowledge. In a civil or criminal proceeding, a person must not be questioned about the person's good faith presentation of information to the audit group or opinions formed by the person as a result of an audit.

Subd. 5. **State correctional facilities security audit group.** (a) The commissioner must form a state correctional facilities security audit group. The audit group must consist of the following members:

(1) a department employee who is not assigned to the correctional institutions division, appointed by the commissioner;

(2) the ombudsperson for corrections or a designee;

(3) an elected sheriff or designee nominated by the Minnesota Sheriffs' Association, appointed by the commissioner;

(4) an individual with expertise in security related to infrastructure and operational logistics of correctional facilities who is not required to reside in Minnesota, appointed by the governor;

(5) the commissioner of health or a designee;

(6) the commissioner of administration or a designee;

(7) two senators, one appointed by the senate majority leader and one appointed by the senate minority leader; and

(8) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) The ombudsperson chairs the audit group. The audit group must establish security audit standards for state correctional facilities. In developing the standards, the audit group, or individual members of the audit group, may gather information from state correctional facilities and state correctional staff and inmates. The audit group must:

(1) periodically review and modify the standards as needed; and

(2) report the standards to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance when the standards are modified.

(c) The audit group must meet twice annually to review facility audit reports submitted to the audit group by the department's inspection unit. Notwithstanding any law to the contrary, the audit group may review the full audit reports, including but not limited to corrections and detention confidential data and security information.

(d) Within 60 days of meeting to review an audit report from the department's inspection unit, the audit group must make recommendations to the commissioner. Within 45 days of receiving the audit group's recommendations, the commissioner must respond in writing to the audit group's findings and recommendations. The commissioner's response must explain:

(1) whether the commissioner will implement the audit group's recommendations;

(2) the timeline for implementing the recommendations; and

(3) if the commissioner will not implement the recommendations, why the commissioner will not or cannot implement the recommendations.

(e) The commissioner must include a written aggregate of the audit group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations in the biennial report under section 241.016, subdivision 1. The commissioner must not include corrections and detention confidential data and security information in the commissioner's report.

(f) The commissioner must provide staffing and administrative support to the audit group.

Subd. 6. **Compensation.** Except as otherwise provided in this subdivision, the terms, compensation, and removal of audit group members are governed by section 15.059. Audit group members serve without compensation but may receive expense reimbursement.

Subd. 7. **Expiration.** Notwithstanding section 15.059, subdivision 6, the audit group does not expire.

Subd. 8. **Open meeting law.** The audit group is not subject to chapter 13D.

Sec. 5. Minnesota Statutes 2025 Supplement, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) ~~Except as provided in paragraph (b),~~ The commissioner of corrections shall inspect and license all ~~correctional facilities throughout the state~~ jails and lockups under chapters 641 and 642, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications, including a process for determining on intake whether a Jarvis Order is in place and ensuring it will be followed during the confinement or incarceration;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

~~(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.~~

~~(c)~~ (b) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

~~(d)~~ (c) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

~~(e)~~ (d) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 6. Minnesota Statutes 2024, section 241.021, subdivision 1f, is amended to read:

Subd. 1f. **Report.** By February 15, 2022, and by February 15 each year thereafter, the commissioner of corrections shall report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary on the status of the implementation of the provisions in ~~this section~~ sections 241.011 to 241.021 over the prior year, particularly the health and safety of individuals confined or incarcerated in ~~a~~ local adult correctional facilities under this section, local correctional facilities under section 241.011, and state correctional ~~facility and a facility licensed by the commissioner~~ facilities. This report shall include but not be limited to data regarding:

(1) the number of confined or incarcerated persons who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, including aggregated demographic information and the correctional facilities' most recent inspection reports and any corrective orders or conditional licenses ~~issued~~, revocations, or temporary immediate suspensions;

(2) the aggregated results of the death reviews by facility as required by subdivision 8 or section 241.011, subdivision 8, including any implemented policy changes;

(3) the number of uses of force by facility staff on persons confined or incarcerated in the correctional facility, including but not limited to whether those uses of force were determined to be justified by the facility, for which the commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections

Act Counties who is responsible for the operations of an adult correctional facility to develop criteria for reporting and define reportable uses of force;

(4) the number of suicide attempts, number of people transported to a medical facility, and number of people placed in segregation;

(5) the number of persons committed to the commissioner of corrections' custody that the commissioner is housing in facilities licensed under subdivision 1 and section 241.011, including but not limited to:

(i) aggregated demographic data of those individuals;

(ii) length of time spent housed in a licensed correctional facility; and

(iii) any contracts the Department of Corrections has with correctional facilities to provide housing; and

(6) summary data from state correctional facilities regarding complaints involving alleged on-duty staff misconduct, including but not limited to the:

(i) total number of misconduct complaints and investigations;

(ii) total number of complaints by each category of misconduct, as defined by the commissioner of corrections;

(iii) number of allegations dismissed as unfounded;

(iv) number of allegations dismissed on grounds that the allegation was unsubstantiated; and

(v) number of allegations substantiated, any resulting disciplinary action, and the nature of the discipline.

Sec. 7. Minnesota Statutes 2024, section 241.021, subdivision 1i, is amended to read:

Subd. 1i. **Definition.** As used in this section, "correctional facility" means any ~~facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed in facilities by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated guilty or delinquent~~ jail or lockup under chapter 641 or 642.

Sec. 8. **RULEMAKING; DEPARTMENT OF CORRECTIONS; LICENSED JUVENILE FACILITIES.**

Subdivision 1. **Administrative and medical separation.** (a) The notification requirements in this subdivision apply to juvenile facilities licensed by the commissioner of corrections under Minnesota Statutes, sections 241.011 to 241.013.

(b) A facility's chief administrator must notify the commissioner according to Minnesota Rules, part 2960.0270, subpart 12, if a resident is expected to be, or has been, in administrative or medical separation for more than seven days.

(c) The notification under paragraph (b) must be within ten days of the resident's placement, or expected placement, in administrative separation or medical separation for more than seven days.

(d) This subdivision expires when the rules adopted under subdivision 2 are effective.

Subd. 2. **Rulemaking.** (a) The commissioner of corrections must amend Minnesota Rules, parts 2960.0740, subpart 3, and 2960.0750, subpart 3, to require notification according to subdivision 1, paragraphs (b) and (c).

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this subdivision.

(c) Notwithstanding Minnesota Laws 1995, chapter 226, article 3, sections 50, 51, and 60, or any other law to the contrary, the joint rulemaking authority with the commissioners of the Department of Human Services and other state agencies does not apply to rules adopted under this subdivision.

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

Sec. 9. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber each section of Minnesota Statutes listed in column A with the number listed in column B.

Column A	Column B
241.021, subdivision 4	241.74, subdivision 1
241.021, subdivision 4a	241.39
241.021, subdivision 4b	241.74, subdivision 2, paragraph (a)
241.021, subdivision 4c	241.74, subdivision 2, paragraph (b)
241.021, subdivision 4d	241.74, subdivision 3
241.021, subdivision 4e	241.254

(b) As a result of amendments to Minnesota Statutes, sections 241.011 to 241.021, the revisor of statutes must work with the Department of Corrections to correct cross-references in Minnesota Statutes and Minnesota Rules and make other necessary grammatical and technical changes.

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2024, section 241.021, subdivisions 1g, 1h, 2a, 2b, 3, and 6, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2, is repealed.

ARTICLE 6

DEPARTMENT OF CORRECTIONS SUBSTANCE ABUSE AND MENTAL HEALTH

Section 1. Minnesota Statutes 2024, section 241.021, subdivision 4a, is amended to read:

Subd. 4a. **Substance use disorder treatment programs.** All ~~residential~~ substance use disorder treatment programs operated by the commissioner of corrections to treat ~~adults~~ individuals committed

to the commissioner's custody ~~shall~~ or to treat juveniles in state-operated juvenile correctional facilities that have a correctional program services certification per Minnesota Rules, chapter 2960, must comply with the standards mandated in chapter 245G for treatment programs operated by community-based treatment facilities. When the commissioners of corrections and human services agree that these established standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards shall be developed by the commissioners and established through an interagency agreement.

Sec. 2. Minnesota Statutes 2024, section 241.69, subdivision 1, is amended to read:

Subdivision 1. **Authority; rules.** The commissioner of corrections shall, in accordance with applicable rules and standards prescribed by the Department of Human Services, establish, staff, equip, maintain, and operate in at least one of the adult correctional institutions under the commissioner's control a mental health unit for the care and treatment of those inmates of state correctional institutions who become mentally ill.

Sec. 3. Minnesota Statutes 2024, section 241.69, subdivision 3, is amended to read:

Subd. 3. **Transfer.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of short-term care, assessment, evaluation, or stabilization, the licensed mental health professional may recommend transfer by the commissioner of corrections to ~~the~~ a mental health unit established pursuant to subdivision 1.

Sec. 4. Minnesota Statutes 2024, section 241.69, subdivision 4, is amended to read:

Subd. 4. **Commitment.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of long-term care in a hospital, ~~or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the mental health unit,~~ the director of psychological services of the institution or the mental health professional shall initiate proceedings for judicial commitment as provided in section 253B.07. Upon the recommendation of the licensed mental health professional and upon completion of the hearing and consideration of the record, the court may commit the person to ~~the~~ a mental health unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be a person who is mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in ~~the~~ a mental health unit established in subdivision 1.

Sec. 5. Minnesota Statutes 2024, section 241.69, subdivision 5, is amended to read:

Subd. 5. **Discharge.** The director of psychological services of ~~the~~ a mental health unit established under this section may, subject to the provisions of chapter 253B, provisionally discharge any inmate patient admitted as a person who is mentally ill without discharging the commitment and order the inmate patient's release into the general population of the institution from which admitted, subject to return to the facility for further treatment.

When the director of psychological services of the facility certifies that a patient is no longer in need of institutional care for mental illness the director of psychological services shall discharge the patient to the institution from which committed, and the discharge shall also discharge the mental illness commitment.

A copy of the certification that the inmate is no longer in need of care for mental illness shall be transmitted to the commissioner of corrections. The commissioner of corrections shall give serious consideration to the aforementioned certification for purposes of their supervision over the inmate upon the inmate's release.

Sec. 6. Minnesota Statutes 2024, section 241.69, subdivision 6, is amended to read:

Subd. 6. **Transfer upon expiration of sentence.** If the sentence of a person who has been adjudicated to be mentally ill and committed to ~~the~~ a mental health unit established under this section should expire before the person recovers and is discharged therefrom, and, in the judgment of the director of psychological services of the unit, the person requires further hospitalization for mental illness, the person shall be transferred by the commissioner of corrections to a state hospital designated by the Direct Care and Treatment executive board, there to be detained as in the case of other mentally ill persons under judicial commitment.

ARTICLE 7

PRIVATE DETECTIVE AND PROTECTIVE AGENT LICENSING

Section 1. Minnesota Statutes 2024, section 326.32, subdivision 8, is amended to read:

Subd. 8. **Applicant.** "Applicant" means any individual~~, partnership~~ or corporation who has made application for a private detective or protective agent license.

Sec. 2. Minnesota Statutes 2024, section 326.32, subdivision 10, is amended to read:

Subd. 10. **License holder.** "License holder" means any individual~~, partnership as defined in section 323A.0101, clause (8),~~ or corporation licensed to perform the duties of a private detective or a protective agent.

Sec. 3. Minnesota Statutes 2024, section 326.32, subdivision 10a, is amended to read:

Subd. 10a. **Minnesota manager.** "Minnesota manager" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The Minnesota manager must be actively involved in the day to day management and supervision of the licensed activity in the Minnesota office.

Sec. 4. Minnesota Statutes 2024, section 326.32, subdivision 10c, is amended to read:

Subd. 10c. **Proprietary employer.** A "proprietary employer" means an individual~~, partnership,~~ or a corporation that is not engaged in the business of providing protective agents but employs individuals to serve as security guards solely on the employer's property and its curtilage.

Sec. 5. Minnesota Statutes 2024, section 326.32, subdivision 12, is amended to read:

Subd. 12. **Qualified representative.** "Qualified representative" means the member of a ~~partnership or~~ corporation~~,~~ who meets the qualifications for licensing as provided in sections 326.32 to 326.339. The qualified representative must be actively involved in the day to day management and supervision of the licensed activity.

Sec. 6. Minnesota Statutes 2024, section 326.33, subdivision 1, is amended to read:

Subdivision 1. **Members.** There is hereby created a Board of Private Detective and Protective Agent Services, consisting of the superintendent of the Bureau of Criminal Apprehension or an assistant superintendent designated by the superintendent, and the following members appointed by the commissioner of public safety: a licensed protective agent, or qualified representative for a licensed protective agent ~~partnership or~~ corporation~~,~~; a licensed private detective, or qualified representative for a licensed private detective ~~partnership or~~ corporation~~,~~; and two public members. Filling of member vacancies shall be the responsibility of the commissioner of public safety. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, unless otherwise provided in sections 326.32 to 326.339; administrative services and office space; the review and processing of complaints; the setting of board fees, unless otherwise provided in sections 326.32 to 326.339; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 7. Minnesota Statutes 2024, section 326.3381, subdivision 2, is amended to read:

Subd. 2. **Application procedure.** The board shall issue a license upon application to any person qualified under sections 326.32 to 326.339 and under the rules of the board to engage in the business of private detective or protective agent. The license shall remain effective for two years as long as the license holder complies with sections 326.32 to 326.339, the laws of Minnesota, and the rules of the board. Upon receipt of an application for private detective or protective agent license, the board shall:

(1) post notice of the application in its office for a period of 20 days, and notify all persons who have requested notification of applications;

(2) conduct an investigation as it considers necessary to determine the qualifications of the applicant, qualified representative, Minnesota manager, and, if appropriate, a ~~partner or~~ corporate officer; and

(3) notify the applicant of the date on which the board will conduct a review of the license application.

Sec. 8. Minnesota Statutes 2024, section 326.3381, subdivision 4, is amended to read:

Subd. 4. **Business entity applicant.** If the applicant for a license is a corporation ~~or partnership, one member~~, the chief executive officer, the chief financial officer, the qualified representative, and the Minnesota manager, if one exists, of that corporation ~~or partnership~~ must meet the licensing requirements in sections 326.32 to 326.339, including the requirements of subdivision 3, paragraph (b).

Sec. 9. Minnesota Statutes 2024, section 326.3382, subdivision 1, is amended to read:

Subdivision 1. **Application form.** (a) Application for a private detective or protective agent license shall be made on a form prescribed by the board. Each applicant shall provide the following information:

(1) the full name, date of birth, and sex of each person signing the application, and the residences of those persons for the past five years;

(2) all past and present occupations and employers, length of employment, and the name, address, and telephone numbers of supervisors for all persons signing the application;

(3) the address or a description indicating the location of the place of business of the applicant;

(4) a statement indicating that each person signing the application has attained the age of 18;

(5) if the applicant is a corporation, the name of the corporation, the date and place of incorporation, and the location of its principal place of business or registered office in its state of incorporation; and

(6) further facts as may be required by the board to show the good character, competency, and integrity of each person signing the application~~; and~~.

(b) Each application shall be signed and acknowledged as follows:

(1) if the applicant is an individual, by the individual; or

~~(2) if the applicant is a partnership, by each partner, one of whom must be a qualified representative; or~~

~~(3)~~ (2) if the applicant is a corporation, by the chief executive officer, chief financial officer, and the qualified representative of the corporation. If the principal place of the applicant's business is outside Minnesota, the application shall also include the signature of the Minnesota manager.

Sec. 10. Minnesota Statutes 2024, section 326.3382, subdivision 4, is amended to read:

Subd. 4. **License disqualification.** Unlicensed activity will not be considered as legitimate experience for qualification in being licensed. An individual, ~~partnership,~~ a corporation, a qualified representative, or a Minnesota manager engaged in the business of a private detective or protective agent without a license issued by the board is prohibited from applying for licensing for a period of one year from the date of a finding of the violation.

Sec. 11. Minnesota Statutes 2024, section 326.3385, subdivision 2, is amended to read:

Subd. 2. **Notice of successor.** (a) A corporate ~~or partnership~~ license holder shall, within seven days of the death, resignation, or removal of a person signing the license application, give written notice to the board of the change and the name and address of the successor in the vacated position.

(b) Within seven days of the death, resignation, or removal of a person signing the license application for a ~~partnership or~~ corporate license holder, the successor qualified representative, ~~partner,~~ Minnesota manager, chief executive officer, or chief financial officer who shall qualify under the same procedure and criteria~~, and~~ must submit the documents required, as for an original application.

Sec. 12. Minnesota Statutes 2024, section 326.3386, subdivision 3, is amended to read:

Subd. 3. **Designation fee.** When a licensed private detective or protective agent who is a ~~partnership or~~ corporation~~,~~ desires to designate a new qualified representative or Minnesota manager, a fee equal to one-half of the license fee shall be submitted to the board.

ARTICLE 8

REHABILITATION OF OFFENDERS

Section 1. Minnesota Statutes 2024, section 364.03, subdivision 3, is amended to read:

Subd. 3. **Evidence of rehabilitation.** (a) A person who has been convicted of a crime or crimes which directly relate to the public employment sought or to the occupation for which a license is sought shall not be disqualified from the employment or occupation if the person can show both competent evidence of sufficient rehabilitation and present fitness to perform the duties of the public employment sought or the occupation for which the license is sought.

(b) In determining whether the person has demonstrated competent evidence of sufficient rehabilitation and present fitness, the licensing or hiring authority may ~~be established by the production of~~ consider the following when making a determination:

(1) the person's most recent certified copy of a United States Department of Defense form DD-214 showing the person's honorable discharge, or separation under honorable conditions, from the United States armed forces for military service rendered following conviction for any crime that would otherwise disqualify the person from the public employment sought or the occupation for which the license is sought~~, or:~~;

~~(1)~~ (2) a copy of the local, state, or federal release order~~;~~ and

~~(2)~~ evidence showing that at least one year has elapsed since release from any local, state, or federal correctional institution without subsequent conviction of a crime; and evidence showing compliance with all terms and conditions of probation or parole; ~~or~~

(3) a copy of the relevant Department of Corrections discharge order or other documents showing completion of probation or parole supervision~~.~~;

~~(b) In addition to the documentary evidence presented, the licensing or hiring authority shall consider any evidence presented by the applicant regarding:~~

(4) evidence regarding:

~~(1)~~ (i) the nature and seriousness of the crime or crimes for which convicted;

~~(2)~~ (ii) all circumstances relative to the crime or crimes, including mitigating circumstances or social conditions surrounding the commission of the crime or crimes;

~~(3)~~ (iii) the age of the person at the time the crime or crimes were committed; and

~~(4)~~ (iv) the length of time elapsed since the crime or crimes were committed; and

(5) all other competent evidence of rehabilitation and present fitness presented, including, but not limited to, letters of reference by persons who have been in contact with the applicant since the applicant's release from any local, state, or federal correctional institution.

(c) The certified copy of a person's United States Department of Defense form DD-214 showing the person's honorable discharge or separation under honorable conditions from the United States armed forces ceases to qualify as competent evidence of sufficient rehabilitation for purposes of this section upon the person's conviction for any gross misdemeanor or felony committed by the person subsequent to the effective date of that honorable discharge or separation from military service.

Sec. 2. Minnesota Statutes 2024, section 364.05, is amended to read:

364.05 NOTIFICATION UPON DENIAL OF EMPLOYMENT OR DISQUALIFICATION FROM OCCUPATION.

If a hiring or licensing authority denies an individual a position of public employment or disqualifies the individual from pursuing, practicing, or engaging in any occupation for which a license is required, solely or in part because of the individual's prior conviction of a crime, the hiring or licensing authority shall notify the individual in writing of the following:

(1) the grounds and reasons for the denial or disqualification;

(2) the applicable complaint and grievance procedure as set forth in section 364.06;

(3) the earliest date the person may reapply for a position of public employment or a license with a hiring or licensing authority; and

(4) that all competent evidence of rehabilitation presented upon reapplication will be considered ~~upon reapplication~~.

ARTICLE 9

PROTECTIONS FOR JUDICIAL OFFICIALS

Section 1. Minnesota Statutes 2025 Supplement, section 480.40, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section and section 480.45, the following terms have the meanings given.

(b) "Judicial official" means:

(1) every Minnesota district court judge, senior judge, retired judge, and every judge of the Minnesota Court of Appeals and every active, senior, recalled, or retired federal judge who resides in Minnesota;

(2) a current or retired justice of the Minnesota Supreme Court;

(3) employees of the Minnesota judicial branch;

(4) judicial referees and magistrate judges; and

(5) current and retired judges and current employees of the Office of Administrative Hearings, Department of Employment and Economic Development Unemployment Insurance and Paid Leave Appeals Divisions, Department of Human Services Appeals Division, Workers' Compensation Court of Appeals, and Tax Court.

(c) "Personal information" does not include publicly available information. Personal information means:

(1) a residential address of a judicial official;

(2) a residential address of the spouse, domestic partner, or children of a judicial official;

(3) a nonjudicial branch issued telephone number or email address of a judicial official;

(4) the name of any child of a judicial official; and

(5) the name of any child care facility or school that is attended by a child of a judicial official if combined with an assertion that the named facility or school is attended by the child of a judicial official.

(d) "Publicly available information" means information that is lawfully made available through federal, state, or local government records or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a judicial official, or by a person to whom the judicial official has disclosed the information, unless the judicial official has restricted the information to a specific audience.

(e) "Law enforcement support organizations" do not include charitable organizations.

(f) "Real property records" has the meaning given in section 480.50, subdivision 1, paragraph (f).

Sec. 2. Minnesota Statutes 2025 Supplement, section 480.50, subdivision 1, is amended to read:

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1, clause (4).

(c) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(d) "Judicial official" has the meaning given in section 480.40, subdivision 1, paragraph (b), except that it does not include: (1) employees of the Minnesota judicial branch, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Tax Court; ~~or~~ (2) judges or employees in the Department of Human Services Appeals Division; or (3) judges or employees in the Unemployment Insurance and Paid Leave Appeals Divisions.

(e) "Personal information" has the meaning given in section 480.40, subdivision 1, paragraph (c).

(f) "Real property records" means any of the following:

(1) real property records as defined in section 13.045, subdivision 1, clause (5);

(2) Uniform Commercial Code filings and tax liens maintained by the Secretary of State; and

(3) any other records maintained by a county recorder or other government entity evidencing title to, or any lien, judgment, or other encumbrance on, real or personal property.

(g) "Responsible authority" has the meaning given in section 13.02, subdivision 16."

Delete the title and insert:

"A bill for an act relating to public safety; providing research data protection for data on individuals; providing for certain terminology and reference updates for domestic abuse programs and battered women; requiring judge to inquire whether victim has been notified of plea and sentencing hearings; protecting victim from identification in prosecutor's petition for sentence adjustment; expanding victim notification of defendant eligibility for automatic expungement; protecting identity of minor victim in a crime involving sexual performance; expanding protection from employer retaliation to victims of stalking; modifying ignition interlock program license revocation requirements; classifying driver's license indicators as private data; clarifying responsibilities of Department of Corrections licensed juvenile and adult community-based residential correctional facilities; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; clarifying certain grants from the Bureau of Criminal Apprehension to local law enforcement as reimbursements; updating law related to recording of crimes; establishing process for determining how certain criminal records are ineligible for sealing; requiring court to provide orders for protection for access by law enforcement; designating unemployment insurance judges and paid leave appeals judges as judicial officials; excluding unemployment insurance judges and paid leave appeals judges from protections related to personal information in real property records; changing provisions for employment or occupation due to conviction of a crime; clarifying in law the multiple levels of substance abuse care provided by the commissioner of corrections; expanding access to mental health unit beds for incarcerated persons; making technical corrections; amending Minnesota Statutes 2024, sections 13.69, subdivision 1; 13.6905, by adding subdivisions; 13.871, subdivision 5; 116L.362, subdivision 1; 119A.37, subdivision 4; 142G.12, subdivision 2; 142G.53; 171.09, subdivision 3; 171.12, subdivision 7c, by adding a subdivision; 171.177, subdivision 8; 203B.06, subdivision 3; 203B.11, subdivision 1; 241.021, subdivisions 1f, 1i, 4a; 241.69, subdivisions 1, 3, 4, 5, 6; 256D.02, subdivision 12a; 256G.02, subdivision 6; 257.75, subdivision 6; 260E.02, subdivision 1; 299A.85, subdivision 4; 299A.90, subdivision 3; 299C.05; 299C.065; 299C.46, subdivision 6; 326.32, subdivisions 8, 10, 10a, 10c, 12; 326.33, subdivision 1; 326.3381, subdivisions 2, 4; 326.3382, subdivisions 1, 4; 326.3385, subdivision 2; 326.3386, subdivision 3; 364.03, subdivision 3; 364.05; 518B.02, subdivision 2; 609.133, subdivision 4; 609.3471; 609.605, subdivision 2; 609.7495, subdivision 1; 609A.015, subdivision 5; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1; 611A.31, subdivision 5; 629.72, subdivision 2a; Minnesota Statutes 2025 Supplement, sections 120B.22, subdivision 1; 171.12, subdivision 7; 171.178, subdivision 5; 171.306, subdivision 1; 201.061, subdivision 3; 241.021, subdivision 1; 256G.03, subdivision 2; 480.40, subdivision 1; 480.50, subdivision 1; 609.101, subdivision 2; 609.2334, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 241; repealing Minnesota Statutes 2024, sections 169A.54, subdivision 6; 241.021,

subdivisions 1g, 1h, 2a, 2b, 3, 6; 299C.12; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4366: A bill for an act relating to commerce; regulating unclaimed property; establishing the Revised Minnesota Unclaimed Property Act; authorizing administrative rulemaking; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 345A; repealing Minnesota Statutes 2024, sections 345.31; 345.32; 345.321; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42, subdivisions 1, 1a, 4; 345.43, subdivisions 2a, 3; 345.44; 345.451; 345.46; 345.47; 345.48, subdivision 1; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; 345.60.

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 2024, section 345.31, is amended by adding a subdivision to read:

Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value used as a medium of exchange, unit of account, or store of value that does not have legal tender status recognized by the United States. Virtual currency does not include:

(1) software or protocols governing the transfer of the digital representation of value;

(2) game-related digital content; or

(3) a loyalty card or gift card.

Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL-RELATED EXPENSES.**

Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related expenses are presumed abandoned at the earliest of:

(1) three years after the date of death of the beneficiary;

(2) one year after the date the beneficiary has attained, or would have attained if living, the age of 105, if the holder does not know whether the beneficiary is deceased; or

(3) 30 years after the contract for prepayment was executed.

Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN TAX-DEFERRED ACCOUNTS.**

Property held in a plan described in section 529 or 529A of the Internal Revenue Code, as amended, are exempt from the requirements of sections 345.31 to 345.60.

Sec. 4. **[345.384] VIRTUAL CURRENCY.**

(a) Virtual currency is presumed abandoned three years after the apparent owner's latest indication of interest in the virtual currency.

(b) For purposes of this section, an indication of an apparent owner's interest in virtual currency includes:

(1) a record communicated by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held;

(2) an oral communication by the apparent owner to the holder or agent of the holder concerning the property or the account in which the property is held, if the holder or its agent contemporaneously makes and preserves a record of the fact of the apparent owner's communication;

(3) a distribution or evidence of receipt of a distribution made by electronic or similar means; or

(4) activity directed by an apparent owner in the account in which the property is held, including accessing the account or information concerning the account, or a direction by the apparent owner to increase, decrease, or otherwise change the amount or type of virtual currency held in the account.

(c) An action by an agent or other representative of an apparent owner, other than the holder acting as the apparent owner's agent, is presumed to be an action on behalf of the apparent owner.

(d) A communication with an apparent owner by a person other than the holder or the holder's representative is not an indication of interest in the property by the apparent owner unless a record of the communication evidences the apparent owner's knowledge of a right to the property.

Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to read:

Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual currency, the holder must liquidate the virtual currency and remit the proceeds to the commissioner.

(b) The liquidation must occur any time within 30 days before filing the report under section 345.41. The owner does not have recourse against the holder or the commissioner to recover any gain in value that occurs after the liquidation of the virtual currency under this subdivision.

(c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual currency to be liquidated, the holder must promptly notify the commissioner in writing and explain the reasons why the virtual currency cannot be liquidated. The commissioner has absolute and sole discretion to direct the holder to:

(1) transfer the virtual currency that cannot be liquidated to a custodian selected by the commissioner; or

(2) continue to hold the virtual currency until the commissioner or the holder determines that the virtual currency can be liquidated pursuant to this chapter."

Delete the title and insert:

"A bill for an act relating to commerce; regulating unclaimed virtual currency funds and funds held for prepayment of funeral-related expenses; amending Minnesota Statutes 2024, sections 345.31, by adding a subdivision; 345.43, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 345."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was re-referred

S.F. No. 4419: A bill for an act relating to health; making changes to provisions covering prescription drug prior authorizations, transactions with group purchasers, prescription drug price transparency, health maintenance organizations, network design, coverage for immunizations, access to certain data collected, and obsolete language; amending Minnesota Statutes 2024, sections 62D.02, subdivision 7, by adding a subdivision; 62D.08, subdivisions 5, 6; 62D.09, subdivisions 1, 5; 62D.124, subdivision 6; 62J.17, subdivision 6a; 62J.2930, subdivision 1; 62J.497, subdivision 5; 62J.536, subdivision 2a; 62K.02, subdivision 2; 62K.03, subdivision 6; 62K.075; 62K.105; 62K.14; 62M.07, subdivision 2; 62Q.46, subdivision 1; 62U.04, subdivision 13; 62W.06, by adding a subdivision; 144.293, subdivision 7; Minnesota Statutes 2025 Supplement, sections 3.732, subdivision 1; 62J.84, subdivisions 2, 3, 10, 11, 12, 13, 14; 62K.10, subdivision 2; repealing Minnesota Statutes 2024, sections 13D.08, subdivision 4; 62D.08, subdivision 7; 62D.181; 62J.06; 62J.156; 62J.2930, subdivision 4; 62J.57.

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

Page 2, line 15, delete "only"

Page 3, line 17, delete "also"

Page 13, line 19, delete "plans" and insert "plan companies"

Page 18, lines 1 and 4, delete "carrier" and insert "maintenance organization"

Page 18, line 6, delete "carrier" and insert "maintenance organization" and delete "carrier's" and insert "maintenance organization's"

Page 18, line 7, delete "carrier's" and insert "maintenance organization's"

Page 20, strike lines 18 and 19

Reletter the paragraphs in sequence

Page 20, line 33, strike everything after the first period

Page 24, delete section 9

Page 25, delete section 10

Amend the title as follows:

Page 1, line 5, delete "access to certain data collected,"

Amend the title numbers accordingly

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4496: A bill for an act relating to telecommunications; modifying and clarifying various provisions governing telephone company regulation, infrastructure and railroad crossings, pricing plans, service classification, and reporting requirements; amending Minnesota Statutes 2024, sections 237.069; 237.11; 237.164; 237.66, by adding subdivisions; repealing Minnesota Statutes 2024, sections 237.036; 237.06; 237.065; 237.066; 237.067; 237.07; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.46; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.626; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75; 237.766; 237.768; 237.772; 237.775.

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 2024, section 237.035, is amended to read:

237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.

(a) Telecommunications carriers are subject to regulation under this chapter only to the extent required under paragraphs (b) to (e).

(b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

(c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~ subdivision 8 ~~and 9~~.

(d) To the extent a telecommunications carrier offers local service, it shall obtain a certificate under section 237.16 for that local service.

(e) In addition, a telecommunications carrier's local service is subject to this chapter except that:

(1) a telecommunications carrier is not subject to rate-of-return or earnings investigations under section 237.075 or 237.081; and

(2) a telecommunications carrier is not subject to section 237.22.

Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.

~~(a) Neither commission approval nor a commission certificate is required to:~~

~~(1) site a coin-operated or public pay telephone in the state; or~~

~~(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.~~

~~(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to May 26, 1999. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.~~

~~(c) Owners and operators of coin-operated or public pay telephones are exempt from sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting requirement of section 237.11.~~

~~(d)~~ Owners of coin-operated or public pay telephones shall:

(1) provide immediate coin-free access, to the extent technically feasible, to 911 emergency service or to another approved emergency service; and

(2) provide free access to the telecommunications relay service for people with communication disabilities.

~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated or public pay telephone location:~~

~~(1) customer service and complaint information, including the name, address, and telephone number of the owner of the coin-operated or public pay telephone and the operator service handling calls from the coin-operated or public pay telephone; a toll-free number of the appropriate telephone company for the resolution of complaints; and the toll-free number of the public utilities commission; and~~

~~(2) a toll-free number at which consumers can obtain pricing information regarding rates, charges, terms, and conditions of local and long-distance calls.~~

Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

237.069 TRACER; HARASSING TELEPHONE CALL; RULES.

~~The commission shall adopt rules to govern how telephone companies respond to requests for tracers made by persons who allege receiving harassing telephone calls. The rules must address when a request for a tracer may be denied or delayed.~~ A telecommunications carrier operating in Minnesota must ensure the telecommunications carrier's equipment, facilities, and services are capable of enabling authorized law enforcement agencies to conduct lawful interception and access

call-identifying information in a manner consistent with United States Code, title 47, sections 1001 to 1010.

Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the department a specific rate, toll, or charge for every kind of noncompetitive service and a price list for every kind of service subject to emerging competition, together with all rules and classifications used by it in the conduct of the telephone business, including limitations on liability. The filings are governed by chapter 13. When a company sells services subject to emerging competition on an individually priced basis, it shall file a statement of the charges to its customers with the commission and the department. ~~The department shall require each telephone company to keep open for public inspection, at designated offices, so much of these rates, price lists, and rules as it deems necessary for the public information.~~

Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.

(a) Every telephone company subject to the provisions of this chapter, wherever organized, shall ~~keep an office in this state, and~~ make such reports to the department as it shall from time to time require. All books, records, and files~~, whether they relate to competitive or noncompetitive services,~~ and all of its property shall be at all times subject to inspection by the commission and the department. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission and the department, except that a local exchange carrier or a competitive local exchange carrier, as defined in Minnesota Rules, chapter 7811, is only required to file an annual report that includes the company's name, contact person, annual revenue, and status of its 911 update plan.

(b) In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the commissioner of management and budget to funds appropriated for the expense of the department.

(c) The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.

~~The commission shall establish intrastate service discounts for schools and libraries by order to the extent necessary to enable schools and libraries to receive federally supported discounts.~~ A school, school district, or library is eligible to receive telecommunications service at discounted rates, consistent with the E-rate program administered by the Universal Service Administrative

Company under United States Code, title 47, section 254, and Code of Federal Regulations, title 47, part 54.

Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. Section 237.09 does not apply to promotions under this section, but the customer group to which the promotion is available must be based on reasonable distinctions among customers. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion. ~~A promotion may take effect the day after the notice is filed with the commission. The notice must identify customers to whom the promotion is available.~~

Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than 90 days and filed with the commission under subdivision 1 must be~~ does not need to be made available to qualifying carriers for resale. ~~A~~ If a telephone company or telecommunications carrier makes a promotional offering available to a qualifying carrier for resale, the qualifying carrier must hold a certificate of authority from the commission and must have an approved interconnection agreement with the company offering the promotion, the terms of which include language governing the resale of services.

Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 4. **Notice; local residential customers.** A telephone company must notify a residential customer regarding the price for all service options available to the customer. A notice must be provided:

(1) at the time the customer initially requests service;

(2) when the customer requests a service change; and

(3) at any time upon the customer's request.

Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to read:

Subd. 5. **Customer notice; prior authorization.** A telephone company may provide the notice under subdivision 4 to a customer using paper billing, electronic billing, or other electronic communication methods if:

(1) the customer affirmatively opts in to electronic billing or electronic communication;

(2) the information in the notice is provided clearly and accessibly; and

(3) the customer is allowed to request a paper copy of service option pricing at any time at no charge to the customer.

Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

Subd. 7. **Application, notice, financial administration, complaint investigation.** The telephone assistance plan must be administered jointly by the commission, the Department of Commerce, and the local service providers in accordance with the following guidelines:

(a) The commission and the Department of Commerce shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the local service provider. The application must contain the applicant's Social Security number. Applicants who refuse to provide a Social Security number will be denied telephone assistance plan credits. The application form must also include a statement that the applicant household is currently eligible for one of the programs that confers eligibility for the federal Lifeline Program. The application must be signed by the applicant, certifying, under penalty of perjury, that the information provided by the applicant is true.

(b) Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to the subscriber's local service provider. On receiving a completed application from an applicant, the subscriber's local service provider shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the application. The applicant must receive telephone assistance plan credits until the earliest possible month following the service provider's receipt of information that the applicant is ineligible.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the local service provider must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

~~(2) establish a uniform statewide level of telephone assistance plan credit that each local service provider shall extend to each eligible household in its service area;~~

~~(3)~~ (2) require each local service provider to account to the commission on a periodic basis for surcharge revenues collected by the provider, expenses incurred by the provider, not to include expenses of collecting surcharges, and credits extended by the provider under the telephone assistance plan;

~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department of Public Safety for deposit in the fund; and

~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount necessary to compensate the provider for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each local service provider shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the Department of Commerce with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The Department of Commerce shall investigate complaints against local service providers with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial alternative regulation plan must not permit income-neutral rate changes for price-regulated services during the plan except as is necessary to implement extended area service or any successor to that service. Any plan must provide that after the rules issued pursuant to section 237.16 are adopted, rates for price-regulated services may be increased, as approved by the commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate increases, if any, for those services must be incorporated with a universal service fund so that the effective rate for the customers of those services does not increase during the first three years of the plan.~~

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed."

Amend the title as follows:

Page 1, line 3, delete "infrastructure and railroad crossings" and insert "facilities and property"

Amend the title numbers accordingly

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4168: A bill for an act relating to commerce; modifying the application of certain residential mortgage loan fees and penalties; amending Minnesota Statutes 2024, section 58.137, subdivision 3.

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 2024, section 58.137, is amended by adding a subdivision to read:

Subd. 4. **Exception.** Subdivisions 1 and 2 do not apply to a residential mortgage loan that is a purchase money, first lien, or DSCR loan if:

(1) the loan is made for investment purposes only;

(2) no borrower, guarantor, or cosigner intend to or do occupy the residential real property securing the loan; and

(3) the seller does not continue to occupy the residential real property after the sale.

Sec. 2. Minnesota Statutes 2024, section 58.20, is amended by adding a subdivision to read:

Subd. 5a. **Debt service coverage ratio loan or DSCR loan.** "Debt service coverage ratio loan" or "DSCR loan" means a mortgage:

(1) that is not a qualified mortgage, as defined in United States Code, title 15, section 1639c;

(2) secured by investment property; and

(3) where the lender's decision to make the loan is based on the expected cash flow to be generated from the investment property instead of the borrower's personal income.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to residential mortgage loans executed on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; providing an exception for investment loans; defining debt service coverage ratio loan; amending Minnesota Statutes 2024, sections 58.137, by adding a subdivision; 58.20, by adding a subdivision."

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

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4401: A bill for an act relating to cannabis; modifying studies and an annual market analysis conducted by the Office of Cannabis Management; requiring reports; amending Minnesota Statutes 2025 Supplement, section 342.04.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

OFFICE OF CANNABIS MANAGEMENT POLICY AND TECHNICAL PROVISIONS

Section 1. Minnesota Statutes 2024, section 342.02, subdivision 2, is amended to read:

Subd. 2. **Powers and duties.** (a) The office has the following powers and duties:

(1) to develop, maintain, and enforce an organized system of regulation for the cannabis industry and hemp consumer industry;

(2) to establish programming, services, and notification to protect, maintain, and improve the health of citizens;

(3) to prevent unauthorized access to cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products by individuals under 21 years of age;

(4) to establish and regularly update standards for product manufacturing, testing, packaging, and labeling, including requirements for an expiration, sell-by, or best-used-by date;

(5) to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition;

(6) to issue and renew licenses;

(7) to require fingerprints from individuals determined to be subject to fingerprinting, including the submission of fingerprints to the Federal Bureau of Investigation where required by law and to obtain criminal conviction data for individuals seeking a license from the office on the individual's behalf or as a cooperative member or director, manager, or general partner of a business entity;

(8) to receive reports required by this chapter and inspect the premises, records, books, and other documents of license holders to ensure compliance with all applicable laws and rules;

(9) to authorize the use of unmarked motor vehicles to conduct seizures or investigations pursuant to the office's authority;

(10) to impose and collect civil and administrative penalties as provided in this chapter;

(11) to publish such information as may be deemed necessary for the welfare of cannabis businesses, cannabis workers, hemp businesses, and hemp workers and the health and safety of citizens;

(12) to make loans and grants in aid to the extent that appropriations are made available for that purpose;

(13) to authorize research and studies on cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, the cannabis industry, and the hemp consumer industry;

(14) to provide reports as required by law;

(15) to develop a warning label regarding the effects of the use of cannabis flower and cannabis products by persons 25 years of age or younger;

(16) to determine, based on a review of medical and scientific literature, whether it is appropriate to require additional health and safety warnings containing information that is both supported by credible science and helpful to consumers in considering potential health risks from the use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, including but not limited to warnings regarding any risks associated with use by pregnant or breastfeeding individuals, or by individuals planning to become pregnant, and the effects that use has on brain development for individuals under the age of 25;

(17) to establish limits on the potency of cannabis flower and cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell cannabis flower and cannabis products to customers;

(18) to establish rules authorizing an increase in plant canopy limits and outdoor cultivation limits to meet market demand and limiting cannabis manufacturing consistent with the goals identified in subdivision 1;

(19) to order a person or business that cultivates cannabis flower or manufactures or produces cannabis products, medical cannabinoid products, artificially derived cannabinoids, lower-potency hemp edibles, hemp-derived consumer products, or hemp-derived topical products to recall any cannabis flower, product, or ingredient containing cannabinoids that is used in a product if the office determines that the flower, product, or ingredient represents a risk of causing a serious adverse incident; and

(20) to exercise other powers and authority and perform other duties required by law.

(b) In addition to the powers and duties in paragraph (a), the office has the following powers and duties until January 1, 2027:

(1) to establish limits on the potency of adult-use cannabis flower and adult-use cannabis products that can be sold to customers by licensed cannabis retailers, licensed cannabis microbusinesses, and licensed cannabis mezzobusinesses with an endorsement to sell adult-use cannabis flower and adult-use cannabis products to customers; and

(2) to permit, upon application to the office in the form prescribed by the director of the office, a ~~licensee~~ license holder under this chapter to perform any activity if such permission is substantially necessary for the ~~licensee~~ license holder to perform any other activity permitted by the applicant's license and is not otherwise prohibited by law.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 342.04, is amended to read:

342.04 STUDIES; REPORTS.

Subdivision 1. **Studies required.** (a) The office shall conduct a study to determine the expected size and growth of the regulated cannabis industry and hemp consumer industry, including an estimate of the demand for cannabis flower and cannabis products, the number and geographic distribution of cannabis businesses needed to meet that demand, and the anticipated business from residents of other states.

(b) The office shall conduct a study to determine the size of the illicit cannabis market, the sources of illicit cannabis flower and illicit cannabis products in the state, the locations of citations issued and arrests made for cannabis offenses, and the subareas, such as census tracts or neighborhoods, that experience a disproportionately large amount of cannabis enforcement.

(c) The office shall conduct a study on impaired driving to determine:

(1) the number of accidents involving one or more drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, or who tested positive for cannabis or tetrahydrocannabinol;

(2) the number of arrests of individuals for impaired driving in which the individual tested positive for cannabis or tetrahydrocannabinol; and

(3) the number of convictions for driving under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, or tetrahydrocannabinol.

(d) The office shall provide preliminary reports on the studies conducted pursuant to paragraphs (a) to (c) to the legislature by January 15, 2024, and shall provide final reports to the legislature by January 15, 2025. The reports may be consolidated into a single report by the office.

~~(e) The office shall collect existing data from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 on the utilization of mental health and substance use disorder services, emergency room visits, and commitments to identify any increase in the services provided or any increase in the number of visits or commitments. The office shall also obtain summary data from existing first episode psychosis programs on the number of persons served by the programs and number of persons on the waiting list. All information collected by the office under this paragraph shall be included in the report required under paragraph (f).~~

Subd. 2. **Annual market analysis.** ~~(f)~~ (a) The office shall conduct an annual market analysis on the status of the regulated cannabis industry ~~and submit a report of the findings~~. An annual market analysis under this subdivision must include:

(1) the number of licenses issued by the office;

(2) recommendations on the number of licenses that the office should make available;

(3) information about the stability of the regulated market, including an assessment of the available supply and whether the supply is sufficient for consumer demand in the state;

(4) the impact of unregulated sales of cannabis flower and cannabis products on the regulated market; and

(5) the status of the medical cannabis patient registry program.

(b) The office may solicit the input of consumers, market stakeholders, and potential new applicants for the annual market analysis under paragraph (a). The office shall submit the ~~report by January 15, 2025, and each January 15 thereafter and the report may be combined with the annual report submitted by the office. The process of completing the market analysis must include holding public meetings to solicit the input of consumers, market stakeholders, and potential new applicants and must include an assessment as to whether the office has issued the necessary number of licenses in order to:~~ annual market analysis under paragraph (a) as part of the annual report required in subdivision 3.

~~(1) ensure the sufficient supply of cannabis flower and cannabis products to meet demand;~~

~~(2) provide market stability;~~

~~(3) ensure a competitive market; and~~

~~(4) limit the sale of unregulated cannabis flower and cannabis products.~~

Subd. 3. **Annual report required.** ~~(g)~~ (a) The office shall submit an annual report to the legislature by January 15~~, 2024, and~~ each ~~January 15 thereafter~~ year. The annual report ~~shall~~ must include but not be limited to the following:

(1) the status of the regulated cannabis industry;

(2) the status of the illicit cannabis market ~~and~~;

(3) the status of the hemp ~~consumer industry~~ commercial and consumer industries;

~~(3) the number of accidents, arrests, and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or tetrahydrocannabinol;~~

(4) the change in potency, if any, of cannabis flower and cannabis products available through the regulated market;

(5) progress on providing opportunities to individuals and communities that experienced a disproportionate, negative impact from cannabis prohibition, including but not limited to providing relief from criminal convictions and increasing economic opportunities;

(6) the status of racial and geographic diversity in the cannabis industry; and

(7) proposed legislative changes, including but not limited to recommendations to streamline licensing systems and related administrative processes~~;~~.

~~(8) information on the adverse effects of second-hand smoke from any cannabis flower, cannabis products, and hemp-derived consumer products that are consumed by the combustion or vaporization of the product and the inhalation of smoke, aerosol, or vapor from the product; and~~

~~(9) recommendations for the levels of funding for:~~

~~(i) a coordinated education program to address and raise public awareness about the top three adverse health effects, as determined by the commissioner of health, associated with the use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products by individuals under 21 years of age;~~

~~(ii) a coordinated education program to educate pregnant individuals, breastfeeding individuals, and individuals who may become pregnant on the adverse health effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;~~

~~(iii) training, technical assistance, and educational materials for home visiting programs, Tribal home visiting programs, and child welfare workers regarding safe and unsafe use of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products in homes with infants and young children;~~

~~(iv) model programs to educate middle school and high school students on the health effects on children and adolescents of the use of cannabis flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other intoxicating or controlled substances;~~

~~(v) grants issued through the CanTrain, CanNavigate, CanStartup, and CanGrow programs;~~

~~(vi) grants to organizations for community development in social equity communities through the CanRenew program;~~

~~(vii) training of peace officers and law enforcement agencies on changes to laws involving cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products and the law's impact on searches and seizures;~~

~~(viii) training of peace officers to increase the number of drug recognition experts;~~

~~(ix) training of peace officers on the cultural uses of sage and distinguishing use of sage from the use of cannabis flower, including whether the Board of Peace Officer Standards and Training should approve or develop training materials;~~

~~(x) the retirement and replacement of drug detection canines; and~~

~~(xi) the Department of Human Services and county social service agencies to address any increase in demand for services.~~

~~(g) In developing the recommended funding levels under paragraph (f), clause (9), items (vii) to (xi), the office shall consult with local law enforcement agencies, the Minnesota Chiefs of Police Association, the Minnesota Sheriff's Association, the League of Minnesota Cities, the Association of Minnesota Counties, and county social services agencies.~~

(b) The annual report under this subdivision must include:

(1) an assessment of available data and updated information regarding the impact of cannabis use on impaired driving;

(2) an assessment of available data and updated information regarding the impact of the adverse effects of secondhand smoke from cannabis flower and cannabis products;

(3) updated information from the Department of Human Services, Department of Health, Direct Care and Treatment, Minnesota state courts, and hospitals licensed under chapter 144 regarding the utilization of mental health and substance use disorder services, emergency room visits, and civil commitments; and

(4) updated information about existing summary data on first episode psychosis programs.

Subd. 4. **Collaboration with other agencies and organizations.** The office must collaborate with state agencies and leading organizations with expertise on cannabis-related programs to support education, prevention, public safety initiatives, and industry and market evaluation, including:

(1) the Department of Employment and Economic Development;

(2) the Department of Health;

(3) the Department of Public Safety;

(4) the Department of Education;

(5) the Department of Human Services;

(6) the Department of Children, Youth, and Families;

(7) Direct Care and Treatment;

(8) the Department of Agriculture;

(9) local government organizations;

(10) law enforcement agencies; and

(11) county social service agencies.

Sec. 3. Minnesota Statutes 2025 Supplement, section 342.13, is amended to read:

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) By ordinance, a local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

~~(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.~~

~~(f)~~ (e) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the State Fire Code and the State Building Code. The office ~~may~~ must not issue a license to an applicant if the local unit of government informs the office that the proposed cannabis business does not ~~meet~~ comply with local zoning ~~and~~ ordinances, land use laws, the State Fire Code, or the State Building Code and submits evidence of the proposed cannabis business's lack of compliance. If the local unit of government does not provide the certification under this paragraph to the office within 30 days of receiving a copy of an application from the office, the office may waive the requirement for local government certification and may issue a license to the applicant. Regardless of whether the office has waived local government certification, the proposed cannabis business's location must meet the requirements of this chapter.

~~(g)~~ (f) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness or lower-potency hemp edible retailer with a retail operations endorsement, or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

~~(h)~~ (g) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents. After each increment of 12,500 residents, the number of required registrations must be rounded up to the next whole number of registrations.

~~(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.~~

(h) A county that has consent from a city or town to issue retail registrations for the jurisdiction according to section 342.22, subdivision 1, may develop a process, in consultation with the consenting city or town, for issuing retail registrations throughout the county that meets the required minimum in paragraph (g) and limits the number of registrations allowed in each city or town that has delegated authority to the county.

~~(j)~~ (i) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph ~~(h)~~ (g).

~~(k)~~ (j) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 4. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 3, is amended to read:

Subd. 3. **Review.** (a) After an applicant submits an application that contains all required information and pays the applicable application fee, the office must review the application.

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

(e) An applicant whose application is not denied under this subdivision is a qualified applicant.

(f) An applicant's status as a qualified applicant under this section expires after six months. For an applicant who achieved qualified applicant status before June 1, 2026, qualified applicant status expires on January 1, 2027. The office must deny an application submitted by an applicant whose qualified applicant status has expired. An applicant whose qualified applicant status expired may apply anew according to this section.

(g) If the office determines that an applicant is not eligible for a license under this section, the office may revoke the applicant's qualified applicant status.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 342.14, subdivision 6, is amended to read:

Subd. 6. **Completed application; final authorization; issuance of license.** (a) Within 18 months of receiving notice of preliminary license approval, an applicant must provide:

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

(b) Upon receipt of the information required under paragraph (a) from an applicant that has received preliminary license approval, the office must:

(1) forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business

complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(2) schedule a site inspection; and

(3) require the applicant to pay the applicable license fee.

(c) The office may deny final authorization if:

(1) an applicant fails to submit any required information;

(2) the applicant submits a materially false statement about the applicant or fails to provide any required information;

(3) the office confirms that the cannabis business for which the office granted a preliminary license approval does not meet local zoning and land use laws;

(4) the applicant fails to pay the applicable license fee; ~~or~~

(5) the office determines that the applicant is disqualified from holding the license or would operate in violation of the provisions of this chapter~~.~~; or

(6) the applicant fails to demonstrate that the proposed cannabis business's location complies with local zoning ordinances, the State Fire Code, or the State Building Code.

(d) Within 90 days of receiving the information required under paragraph (a) and the results of any required background check, the office shall grant final authorization and issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons that the office did not approve the application.

Sec. 6. Minnesota Statutes 2025 Supplement, section 342.16, is amended to read:

342.16 CANNABIS BUSINESSES; GENERAL OWNERSHIP DISQUALIFICATIONS AND REQUIREMENTS.

(a) A license holder or an applicant must meet each of the following requirements, if applicable, to hold or receive a cannabis license issued under this chapter:

(1) be at least 21 years of age;

(2) have completed an application for licensure or application for renewal;

(3) have paid the applicable application fee and license fee;

(4) if the applicant or license holder is a business entity, be incorporated in the state or otherwise formed or organized under the laws of the state;

(5) not be employed by the office or any state agency with regulatory authority under this chapter or the rules adopted pursuant to this chapter;

(6) not be a licensed peace officer, as defined in section 626.84, subdivision 1, paragraph (c);

(7) never have had a license previously issued under this chapter revoked, and never have had a cannabis license, a registration, an agreement, or another authorization to operate a cannabis business issued under the laws of another state revoked;

(8) have filed any previously required tax returns for a cannabis business;

(9) have paid and remitted any business taxes, gross receipts taxes, interest, or penalties due relating to the operation of a cannabis business;

(10) have fully and truthfully complied with all information requests of the office relating to license application and renewal;

(11) not be disqualified under section 342.15;

(12) not employ an individual who is disqualified from working for a cannabis business under this chapter;

(13) meet the ownership and operational requirements for the type of license and, if applicable, endorsement sought or held; and

(14) not have had any confirmed willful labor violation with the Minnesota Department of Labor~~, National Labor Relations Board,~~ and Industry or the Occupational Safety and Health Administration within the last five years, as determined by the office.

(b) A health care practitioner who certifies qualifying medical conditions for patients is prohibited from:

(1) holding a direct or indirect economic interest in a cannabis business;

(2) serving as a cooperative member, director, manager, general partner, or employee of a cannabis business; or

(3) advertising with a cannabis business in any way.

(c) If the license holder or applicant is a business entity, every officer, director, manager, and general partner of the business entity must meet each of the requirements of this section.

(d) The ownership disqualifications and requirements under this section do not apply to a hemp business license holder or applicant.

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

Sec. 7. Minnesota Statutes 2024, section 342.20, subdivision 1, is amended to read:

Subdivision 1. **Not public data.** The following data collected, created, or maintained by the office are classified as nonpublic data, as defined by section 13.02, subdivision 9, or as private data on individuals, as defined by section 13.02, subdivision 12:

(1) application data submitted by an applicant for a cannabis business license or hemp business license, other than the data listed in subdivision 2;

(2) the identity of a complainant who has made a report concerning a license holder or an applicant that appears in inactive investigative data unless the complainant consents to the disclosure;

(3) data identifying retail or wholesale customers of a cannabis business or hemp business; ~~and~~

(4) data identifying cannabis workers or hemp workers~~.~~; and

(5) data reported to the office using the statewide monitoring system established under section 342.05.

Sec. 8. Minnesota Statutes 2024, section 342.20, subdivision 2, is amended to read:

Subd. 2. **Public data on license applicants.** ~~(a)~~ The following application data submitted by an applicant for a cannabis business license or hemp business license are public data:

(1) the applicant's name and designated address;

(2) data disclosing the ownership and control of the applicant;

(3) proof of trade name registration;

(4) data showing the legal possession of the premises where the business will operate;

(5) data describing ~~whether~~ the volatile chemicals that will be used in any methods of extraction or concentration, if applicable;

(6) environmental plans;

(7) the type and number of other cannabis business licenses or hemp business licenses held by the applicant; ~~and~~

(8) the name, address, location, dates, and hours of where any proposed cannabis event will take place~~.~~; and

(9) the status of the applicant's application, except for an applicant's status as a social equity applicant.

~~(b) Scoring and other data generated by the office in its review of an applicant for a cannabis business license or hemp business license are public data.~~

Sec. 9. Minnesota Statutes 2024, section 342.20, subdivision 3, is amended to read:

Subd. 3. **Public application data on license holders.** Once an applicant for a cannabis business license or hemp business license becomes a license holder, all of the application or renewal data that the license holder had previously submitted to the office are public data except that the following data remain classified as nonpublic data or private data on individuals:

(1) data identifying retail or wholesale customers of a cannabis business or hemp business;

(2) data identifying cannabis workers or hemp workers;

(3) tax returns, bank account statements, and other financial account information;

(4) business plans~~; and~~, including descriptions of sites, security, and operations of the license holder;

(5) data regarding the license holder's accounting compliance;

(6) data contained in vehicle disclosure forms and related documentation required in section 342.35, subdivision 2, clauses (1) and (2); and

~~(5)~~ (7) data classified as nonpublic data or private data on individuals by chapter 13 or other applicable law.

Sec. 10. Minnesota Statutes 2024, section 342.22, subdivision 4, is amended to read:

Subd. 4. **Compliance checks.** (a) A local unit of government shall conduct compliance checks of every cannabis business and hemp business with a retail registration issued by the local unit of government. During a compliance check, a local unit of government shall assess a business's compliance with age verification requirements and compliance with any applicable local ordinance established pursuant to section 342.13.

(b) A local unit of government must conduct unannounced age verification compliance checks of every cannabis business and hemp business at least once each calendar year. Age verification compliance checks must involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

(c) A local government with retail registration authority that performs compliance checks must annually submit data regarding compliance checks to the office. The data must include:

(1) the name of the cannabis business and the business's address, license number, and type of business under chapter 342;

(2) the results of the compliance check, including whether the business was compliant with any applicable local ordinances;

(3) the date and time of the compliance check;

(4) a description of any specific violation of a local ordinance, including any failure to request documentation for age verification, an age verification method that violates this chapter, or any other violation of a local ordinance; and

(5) any warnings, fines, suspensions, or other actions taken by the local government in response to the business's violation of a local ordinance.

(d) A local government may provide the office with data from a compliance check before the annual submission date. A local government may provide the office with data from a compliance

check by notifying the office of a suspended retail registration according to subdivision 5, paragraph (a).

Sec. 11. Minnesota Statutes 2024, section 342.23, subdivision 5, is amended to read:

Subd. 5. **Financial relationship.** (a) ~~Except for the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision,~~ No cannabis business or hemp business may offer, give, accept, receive, or borrow money or anything else of value or accept or receive credit from any other cannabis business~~. This prohibition applies to~~ or hemp business, including offering or receiving a benefit in exchange for preferential placement by a retailer~~, including~~ and offering or receiving preferential placement on the retailer's shelves, display cases, or website. ~~This~~ The prohibition in this paragraph applies to every cooperative member or every director, manager, and general partner of a cannabis business or hemp business.

(b) ~~This~~ Paragraph (a) does not apply to the lawful sale of cannabis plants, cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products in the ordinary course of business and as otherwise provided in this subdivision.

(c) The prohibition in paragraph (a) does not apply to merchandising credit in the ordinary course of business for a period not to exceed 30 days.

~~(c) This~~ (d) The prohibition in paragraph (a) does not apply to free samples of usable cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product before purchase. A sample jar may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(d) This~~ (e) The prohibition in paragraph (a) does not apply to free samples of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products provided to a retailer or cannabis wholesaler for the purposes of quality control and to allow retailers to determine whether to offer a product for sale. A sample provided for these purposes may not contain more than eight grams of usable cannabis flower, more than eight grams of a cannabis concentrate, an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol, a lower-potency hemp edible infused with more than 50 milligrams of tetrahydrocannabinol, or a hemp-derived consumer product with a total weight of more than eight grams.

~~(e) This~~ (f) The prohibition in paragraph (a) does not apply to any fee charged by a licensed cannabis event organizer to a cannabis business or hemp business for participation in a cannabis event.

(g) The prohibition in paragraph (a) does not apply to any transaction entered into in good faith by a cannabis business or hemp business for the sale of goods or services at fair market value.

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

Sec. 12. Minnesota Statutes 2024, section 342.27, subdivision 2, is amended to read:

Subd. 2. **Sale of cannabis and cannabinoid products.** (a) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may only sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals who are at least 21 years of age.

(b) A cannabis business with a license or endorsement authorizing the retail sale of adult-use cannabis flower or adult-use cannabis products may sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products that:

(1) are obtained from a business licensed under this chapter; and

(2) meet all applicable packaging and labeling requirements.

(c) A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products may sell up to two ounces of adult-use cannabis flower or hemp-derived consumer products consisting primarily of hemp plant parts, up to eight grams of adult-use cannabis concentrate or hemp-derived consumer products consisting primarily of hemp concentrate or artificially derived cannabinoids, and edible cannabis products and lower-potency hemp edibles infused with up to 800 milligrams of tetrahydrocannabinol during a single transaction to a customer.

(d) Edible adult-use cannabis products ~~and hemp-derived consumer products intended to be eaten~~ may not include more than ten milligrams of tetrahydrocannabinol per serving and a single package may not include more than a total of 200 milligrams of tetrahydrocannabinol. A package may contain multiple servings of ten milligrams of tetrahydrocannabinol provided that each serving is indicated by scoring, wrapping, or other indicators designating the individual serving size.

(e) Edible adult-use cannabis products and hemp-derived consumer products intended to be consumed as beverages may not include more than ten milligrams of tetrahydrocannabinol per serving. A single beverage container may not contain more than two servings.

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

Sec. 13. Minnesota Statutes 2024, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to:

(1) obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, medical cannabis combination businesses, and industrial hemp growers; and

(2) perform other actions approved by the office.

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

Sec. 14. Minnesota Statutes 2024, section 342.39, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis event organizer license entitles the license holder to:

(1) organize a temporary cannabis event lasting no more than four days; and

(2) perform other actions approved by the office.

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

Sec. 15. **REPEALER.**

(a) Minnesota Statutes 2024, section 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, and 7, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3 and 5a, are repealed.

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

ARTICLE 2

CANNABIS LICENSING AND ENDORSEMENTS

Section 1. Minnesota Statutes 2024, section 342.07, subdivision 3, is amended to read:

Subd. 3. **Edible cannabinoid product handler endorsement.** (a) ~~Any person~~ A license holder seeking to manufacture, process, sell, handle, or store an edible cannabis product or lower-potency hemp edible, other than an edible cannabis product or lower-potency hemp edible that has been placed in its final packaging, must ~~first~~ apply for and obtain an edible cannabinoid product handler endorsement.

(b) In consultation with the commissioner of agriculture, the office shall establish an edible cannabinoid product handler endorsement.

(c) The office must regulate edible cannabinoid product handlers in a manner consistent with Department of Agriculture regulation of food handlers under chapters 28A, 31, and 34A and associated rules, with the following exceptions:

(1) the office must issue an edible cannabinoid product handler endorsement, rather than a license;

(2) eligibility for an edible cannabinoid product handler endorsement is limited to persons who possess a valid license issued by the office;

(3) the office may not charge a fee for issuing or renewing the endorsement;

(4) the office must align the term and renewal period for edible cannabinoid product handler endorsements with the term and renewal period of the license issued by the office; and

(5) an edible cannabis product or a lower-potency hemp edible must not be considered adulterated solely because the product or edible contains tetrahydrocannabinol, cannabis concentrate, hemp concentrate, artificially derived cannabinoids, or any other material extracted or derived from a cannabis plant, cannabis flower, hemp plant, or hemp plant parts.

(d) ~~The~~ An edible cannabinoid product handler endorsement ~~must prohibit~~ prohibits the manufacture of edible cannabis products at the same premises where food is manufactured, except for the limited production of edible products produced solely for product development, sampling, or testing. ~~This~~ The limitation in this paragraph does not apply to the manufacture of lower-potency hemp edibles.

(e) An edible cannabinoid product handler endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis manufacturers;

(4) lower-potency hemp edible manufacturers; and

(5) cannabis macrobusinesses.

(f) A lower-potency hemp edible manufacturer with an edible cannabinoid product handler endorsement may only manufacture lower-potency hemp edibles and must not add any cannabis flower, cannabis concentrate, or cannabinoid derived from cannabis flower or cannabis concentrate to a product consistent with the requirements in section 342.45.

Sec. 2. Minnesota Statutes 2024, section 342.15, subdivision 2, is amended to read:

Subd. 2. **Criminal offenses; disqualifications.** ~~(a)~~ The office may by rule determine whether any felony convictions, including but not limited to convictions for noncannabis controlled substance crimes in the first or second degree, human trafficking, labor trafficking, fraud, or financial crimes, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or working for a cannabis business, and the length of any such disqualification. In adopting rules pursuant to this subdivision, the office shall not disqualify an individual for a violation of section 152.025.

~~(b) The office must not issue a cannabis business license to any person or business who was convicted of illegally selling cannabis after August 1, 2023, unless five years have passed since the date of conviction.~~

~~(c) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of violation. The office may set aside the violation if the office finds that the violation occurred as a result of a mistake made in good faith and the violation did not involve gross negligence, an illegal sale of cannabis, or cause harm to the public. The office must not issue a license to any person or business who the office has assessed a fine to under section 342.09, subdivision 6.~~

Sec. 3. Minnesota Statutes 2024, section 342.15, subdivision 5, is amended to read:

Subd. 5. **Civil and regulatory offenses; disqualifications.** (a) The office may determine whether any civil or regulatory violations, as determined by another state agency, local unit of government, or any other jurisdiction, disqualify an individual from holding or receiving a cannabis business license issued under this chapter or disqualify an individual from working for a cannabis business, and the length of the disqualification. Upon the office's request, a state agency, as defined in section 13.02, subdivision 17, except for the Department of Revenue, may release civil investigative data, including data classified as protected nonpublic or confidential under section 13.39, subdivision 2, if the request is related to a specific applicant and the data is necessary to make a determination under this section.

(b) The office must not issue a cannabis business license to any person or business who violated this chapter after August 1, 2023, unless five years have passed since the date of the violation. The office may set aside the violation if the office finds that the violation:

(1) occurred as a result of a mistake made in good faith;

(2) did not involve gross negligence;

(3) did not involve an illegal sale of cannabis; and

(4) did not cause harm to the public.

(c) The office must not issue a cannabis business license to any person or business who was assessed a fine by the office under section 342.09, subdivision 6.

(d) The office may determine the length of a disqualification for a true party of interest who owns or controls more than ten percent of a cannabis business that had a cannabis business license or hemp business license revoked by the office under section 342.21.

Sec. 4. Minnesota Statutes 2024, section 342.19, subdivision 6, is amended to read:

Subd. 6. **Inspection of unlicensed businesses and facilities.** (a) The office may inspect any commercial premises that is not licensed under this chapter where cultivation, manufacturing, processing, or sale of cannabis plants, cannabis flower, cannabis concentrate, artificially derived cannabinoids, hemp-derived consumer products, ~~or~~ edible cannabinoid products, or lower-potency hemp edibles is taking place.

(b) A representative of the office performing an inspection under this subdivision must present appropriate credentials to the owner, operator, or agent in charge and clearly state the purpose of the inspection.

(c) After providing the notice required under paragraph (b), a representative of the office may enter the commercial premises and perform any of the following to determine if any person is engaging in activities that are regulated by this chapter and not authorized without the possession of a license and to determine the appropriate penalty under section 342.09, subdivision 6:

(1) inspect and investigate the commercial premises;

(2) inspect and copy records; and

(3) question privately any employer, owner, operator, agent, or employee of the commercial operation.

(d) Entry of a commercial premises must take place during regular working hours or at other reasonable times.

(e) If the office finds any cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product on the inspected commercial premises, the office may ~~either~~:

(1) immediately seize the item ~~or~~;

(2) affix to the item a tag, withdrawal from distribution order, or other appropriate marking providing notice that the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product is, or is suspected of being, possessed or distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the item by sale or otherwise until permission for removal or disposal is given by the office or the court; and

(3) assess a civil penalty to the business pursuant to section 342.09, subdivision 6, and may treat the possession of the seized, embargoed, or detained product as having been sold.

(f) It is unlawful for a person to remove or dispose of a detained or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product by sale or otherwise without the office's or a court's permission and each transaction may be treated as a sale for the purposes of imposing a penalty pursuant to section 342.09, subdivision 6.

~~(f)~~ (g) If the office has seized, detained, or embargoed any item pursuant to paragraph (e), the office must:

(1) petition the district court in the county in which the item was found for an order authorizing destruction of the product; and

(2) notify the county attorney in the county where the item was found of the office's actions.

~~(g)~~ (h) If the court finds that the seized, detained, or embargoed cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product was possessed or distributed in violation of this chapter or rules adopted under this chapter, the office may destroy the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product at the expense of the person who possessed or distributed the item in violation of this chapter and all court costs, fees, storage, and other proper expenses must be assessed against the person or the person's agent.

~~(h)~~ (i) The provisions of subdivision 2, paragraph (f), apply to any analysis or examination performed under this subdivision.

~~(i)~~ (j) The authorization under paragraph (e) does not apply to any cannabis flower, cannabis product, lower-potency hemp edible, or hemp-derived consumer product lawfully purchased for personal use.

Sec. 5. **[342.245] ENDORSEMENTS.**

(a) The office must provide endorsement application forms to applicants.

(b) The office may deny an endorsement application if:

(1) the license holder has previously had an endorsement suspended, revoked, or canceled by the office within the last five years;

(2) the license holder owes outstanding fines to the office for violations; or

(3) the license holder does not meet the requirements to: (i) conduct activities authorized by the endorsement; or (ii) conduct activities authorized by the endorsement at the specific location indicated on the application.

(c) The office must not charge a fee to an applicant for an endorsement application.

(d) The office must align the term and renewal period for an endorsement with the term and renewal period of the applicant's license.

Sec. 6. Minnesota Statutes 2024, section 342.25, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the cultivation of cannabis~~ seeking to cultivate cannabis must ~~comply with the requirements of this section~~ apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivation endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis cultivators; and

(4) cannabis macrobusinesses.

Sec. 7. Minnesota Statutes 2024, section 342.25, subdivision 2, is amended to read:

Subd. 2. **Cultivation records.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must prepare a cultivation record for each batch of cannabis plants and cannabis flower in the form required by the office and must maintain each record for at least five years. ~~The~~ A cultivation record must include the quantity and timing, ~~where~~ if applicable, of each pesticide, fertilizer, soil amendment, or plant amendment used to cultivate the batch, as well as any other information required by the office in rule. ~~The~~ A cannabis business must ~~present~~ provide cultivation records to the office, the commissioner of agriculture, or the commissioner of health upon request.

Sec. 8. Minnesota Statutes 2024, section 342.25, subdivision 3, is amended to read:

Subd. 3. **Agricultural chemicals and other inputs.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement is subject to rules promulgated by the office in consultation with the commissioner of agriculture, subject to subdivision 5, governing the use of pesticides, fertilizers, soil amendments, plant amendments, and other inputs to cultivate cannabis.

Sec. 9. Minnesota Statutes 2024, section 342.25, subdivision 4, is amended to read:

Subd. 4. **Cultivation plan.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must prepare, maintain, and execute an operating plan and a cultivation plan as directed by the office in rule, which must include but is not limited to:

(1) water usage;

(2) recycling;

(3) solid waste disposal; and

(4) a pest management protocol that incorporates integrated pest management principles to control or prevent the introduction of pests to the cultivation site.

Sec. 10. Minnesota Statutes 2024, section 342.25, subdivision 5, is amended to read:

Subd. 5. **Agricultural chemicals and other inputs; pollinator protection.** (a) A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must comply with chapters 18B, 18C, 18D, and any other pesticide, fertilizer, soil amendment, and plant amendment laws and rules enforced by the commissioner of agriculture.

(b) A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must not apply pesticides when pollinators are present or allow pesticides to drift to flowering plants that are attractive to pollinators.

Sec. 11. Minnesota Statutes 2024, section 342.25, subdivision 6, is amended to read:

Subd. 6. **Adulteration prohibited.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement must not treat or otherwise adulterate cannabis plants or cannabis flower with any substance or compound that has the effect or intent of altering the color, appearance, weight, potency, or odor of the cannabis.

Sec. 12. Minnesota Statutes 2024, section 342.25, subdivision 7, is amended to read:

Subd. 7. **Indoor or outdoor cultivation authorized; security.** A business ~~licensed or authorized to cultivate cannabis~~ with a cannabis cultivation endorsement may cultivate cannabis plants indoors or outdoors, subject to the security, fencing, lighting, and any other requirements imposed by the office in rule.

Sec. 13. Minnesota Statutes 2024, section 342.26, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the creation of cannabis concentrate and manufacture of cannabis products and hemp-derived consumer products for public consumption must comply with the requirements of this section~~ seeking to manufacture cannabis products must apply for and obtain the applicable endorsement according to subdivisions 3 and 4.

(b) An endorsement under subdivisions 3 and 4 is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis manufacturers; and

(4) cannabis macrobusinesses.

Sec. 14. Minnesota Statutes 2024, section 342.26, subdivision 2, is amended to read:

Subd. 2. **All manufacturer operations.** (a) Cannabis manufacturing must take place in an enclosed, locked facility that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products, except that a business that also holds a cannabis cultivator license may operate in a facility that shares general office space, bathrooms, entryways, and walkways.

(b) Cannabis manufacturing must take place on equipment that is used exclusively for the manufacture of cannabis products, creation of hemp concentrate, creation of artificially derived cannabinoids, creation of lower-potency hemp edibles, or creation of hemp-derived consumer products.

(c) A business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under subdivision 3 or 4 must comply with all applicable packaging, labeling, and health and safety requirements.

(d) A cannabis business with a production of consumer product endorsement may not manufacture, import, export, or sell a cannabinoid product powered by or with a battery that is not easily removable.

EFFECTIVE DATE. Paragraph (d) is effective January 1, 2027.

Sec. 15. Minnesota Statutes 2024, section 342.26, subdivision 3, is amended to read:

Subd. 3. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis business ~~licensed or authorized~~ seeking to manufacture ~~cannabis products that creates~~ cannabis concentrate~~, hemp concentrate, or artificially derived cannabinoids~~ must apply for and obtain ~~an~~ a cannabis extraction and concentration endorsement ~~from the office~~.

(b) A cannabis business seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement.

(c) A cannabis business seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement. A cannabis business must hold a hemp extraction and concentration endorsement to apply for and obtain a creation of artificially derived cannabinoids endorsement.

~~(b)~~ (d) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of cannabis concentrate or hemp concentrate. A cannabis ~~manufacturer~~ business with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of extraction and concentration or a volatile chemical without approval by the office.

~~(c)~~ (e) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement may not use a method of conversion or a catalyst without approval by the office.

~~(d)~~ (f) A business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

~~(e)~~ (g) A business ~~licensed or authorized to manufacture cannabis products that manufactures~~ with a cannabis extraction and concentration endorsement may manufacture cannabis concentrate from cannabis flower received from an unlicensed person who is at least 21 years of age and must comply with all health and safety requirements established by the office. At a minimum, the office shall require the manufacturer to:

(1) store the cannabis flower in an area that is segregated from cannabis flower and hemp plant parts received from a licensed cannabis business;

(2) perform the extraction and concentration on equipment that is used exclusively for extraction or concentration of cannabis flower received from unlicensed individuals;

(3) store any cannabis concentrate in an area that is segregated from cannabis concentrate, hemp concentrate, or artificially derived cannabinoids derived or manufactured from cannabis flower or hemp plant parts received from a licensed cannabis business; and

(4) provide any cannabis concentrate only to the person who provided the cannabis flower.

~~(f)~~ (h) Upon the sale of cannabis concentrate, hemp concentrate, or artificially derived cannabinoids to any person, cooperative, or business, a business ~~licensed or authorized to manufacture cannabis products~~ with a cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, or creation of artificially derived cannabinoids endorsement must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals, involved in that method.

Sec. 16. Minnesota Statutes 2024, section 342.26, subdivision 4, is amended to read:

Subd. 4. **Edible cannabinoid product handler endorsement and production of consumer products endorsement.** (a) A cannabis business ~~licensed or authorized to manufacture cannabis products that produces edible cannabis products or lower-potency hemp edibles~~ seeking to produce edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement from the office.

(b) A cannabis business with an edible cannabinoid product handler endorsement must comply with the requirements in section 342.07, subdivision 3.

~~(b)~~ (c) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ seeking to produce hemp-derived consumer products or cannabis products other than edible cannabis products must apply for and obtain ~~an~~ a production of consumer products endorsement ~~from the office to produce:~~.

~~(1) cannabis products other than edible cannabis products; or~~

~~(2) hemp-derived consumer products other than lower-potency hemp edibles.~~

~~(c)~~ (d) A cannabis business with an endorsement under this subdivision must ensure that all areas within the licensed premises of ~~a~~ the business ~~licensed or authorized to manufacture cannabis products producing cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must~~ meet the sanitary standards specified in rules adopted by the office.

~~(d)~~ (e) A cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision may only add chemicals or compounds approved by the office to cannabis concentrate, hemp concentrate, or artificially derived cannabinoids.

~~(e)~~ (f) Upon the sale of any cannabis product, lower-potency hemp edible, or hemp-derived consumer product to a cannabis business or hemp business, a cannabis business ~~licensed or authorized to manufacture cannabis products~~ with an endorsement under this subdivision must provide a statement to the buyer that discloses the product's ingredients, including but not limited to any chemicals or compounds and any major food allergens declared by name.

~~(f)~~ (g) A business ~~licensed or authorized to manufacture cannabis products shall~~ with an endorsement under this subdivision must not add any cannabis flower, cannabis concentrate, artificially derived cannabinoid, hemp plant part, or hemp concentrate to a product ~~where~~ if the manufacturer of the product holds a trademark to the product's name, except that a business licensed or authorized to manufacture cannabis products may use a trademarked food product if the manufacturer uses the product as a component or as part of a recipe and ~~where~~ if the business licensed or authorized to manufacture cannabis products does not state or advertise to the customer that the final retail cannabis product, lower-potency hemp edible, or hemp-derived consumer product contains a trademarked food product.

Sec. 17. Minnesota Statutes 2024, section 342.26, subdivision 5, is amended to read:

Subd. 5. **Exception.** Nothing in this section applies to the operations of a lower-potency hemp edible manufacturer. A lower-potency hemp edible manufacturer must comply with section 342.45 and applicable rules.

Sec. 18. Minnesota Statutes 2024, section 342.27, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** ~~Every~~ (a) A cannabis business ~~with a license or endorsement authorizing the~~ seeking to conduct retail ~~sale~~ sales of cannabis flower ~~or~~, cannabis products, hemp-derived consumer products, or lower-potency hemp edible products must ~~comply with the requirements of this section~~ apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retail operations endorsement is available to the following license holders:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis retailers; and

(4) cannabis macrobusinesses.

Sec. 19. Minnesota Statutes 2024, section 342.27, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis flower packaging endorsement.** (a) A cannabis business seeking to package cannabis flower at a point of retail sale must apply for and obtain a cannabis flower packaging endorsement.

(b) A cannabis business with a cannabis flower packaging endorsement must package cannabis flower in a container that:

(1) complies with all packaging requirements in section 342.62;

(2) complies with all applicable rules; and

(3) includes an affixed label on the container that, at the final point of sale to a customer or patient, meets all requirements in section 342.63 and applicable rules.

(c) A cannabis business with a cannabis flower packaging endorsement may store bulk cannabis flower intended to be packaged at the point of sale outside of the secure storage area during operating hours. At the end of operating hours, the business must ensure that bulk cannabis flower is placed in the secure storage area.

(d) A cannabis flower packaging endorsement is available to the following license holders only if the license holder holds a cannabis retail operations endorsement:

(1) cannabis microbusinesses;

(2) cannabis mezzobusinesses;

(3) cannabis retailers; or

(4) cannabis macrobusinesses.

Sec. 20. Minnesota Statutes 2024, section 342.28, subdivision 6, is amended to read:

Subd. 6. **Cannabis cultivation endorsement.** A cannabis microbusiness that cultivates cannabis plants and harvests cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 21. Minnesota Statutes 2024, section 342.28, subdivision 7, is amended to read:

Subd. 7. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis microbusiness ~~that creates~~ seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis microbusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis microbusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 22. Minnesota Statutes 2025 Supplement, section 342.28, subdivision 8, is amended to read:

Subd. 8. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis microbusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis microbusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 23. Minnesota Statutes 2024, section 342.28, subdivision 9, is amended to read:

Subd. 9. **Retail operations endorsement.** (a) A cannabis microbusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis microbusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 24. Minnesota Statutes 2024, section 342.28, subdivision 11, is amended to read:

Subd. 11. **Transportation between facilities.** A cannabis microbusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis microbusiness ~~if~~ must apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis microbusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 25. Minnesota Statutes 2024, section 342.29, subdivision 5, is amended to read:

Subd. 5. **Cannabis cultivation endorsement.** A cannabis mezzobusiness ~~that cultivates~~ seeking to cultivate cannabis plants and ~~harvests~~ harvest cannabis flower must apply for and obtain a cannabis cultivation endorsement and comply with the requirements in section 342.25.

Sec. 26. Minnesota Statutes 2024, section 342.29, subdivision 6, is amended to read:

Subd. 6. **Cannabis extraction and concentration endorsement, hemp extraction and concentration endorsement, and creation of artificially derived cannabinoids endorsement.** (a) A cannabis mezzobusiness ~~that creates~~ seeking to manufacture cannabis concentrate must apply for and obtain a cannabis extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(b) A cannabis mezzobusiness seeking to manufacture hemp concentrate must apply for and obtain a hemp extraction and concentration endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

(c) A cannabis mezzobusiness seeking to manufacture artificially derived cannabinoids must apply for and obtain a creation of artificially derived cannabinoids endorsement and comply with the requirements in section 342.26, subdivisions 2 and 3.

Sec. 27. Minnesota Statutes 2025 Supplement, section 342.29, subdivision 7, is amended to read:

Subd. 7. **Production of consumer products endorsement and edible cannabinoid product handler endorsement.** (a) A cannabis mezzobusiness ~~that manufactures edible~~ seeking to manufacture cannabis products~~, lower-potency hemp products,~~ or hemp-derived consumer products must apply for and obtain a production of consumer products endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

(b) A cannabis mezzobusiness seeking to manufacture edible cannabis products or lower-potency hemp edibles must apply for and obtain an edible cannabinoid product handler endorsement and comply with the requirements in section 342.26, subdivisions 2 and 4.

Sec. 28. Minnesota Statutes 2024, section 342.29, subdivision 8, is amended to read:

Subd. 8. **Retail operations endorsement.** (a) A cannabis mezzobusiness ~~that operates~~ seeking to operate a retail location must apply for and obtain a cannabis retail operations endorsement and comply with the requirements in section 342.27.

(b) A cannabis mezzobusiness with a cannabis retail operations endorsement may apply for and obtain a cannabis flower packaging endorsement subject to the requirements in section 342.27, subdivision 2a.

Sec. 29. Minnesota Statutes 2024, section 342.29, subdivision 8a, is amended to read:

Subd. 8a. **Multiple endorsements required.** (a) Within 18 months of receiving a cannabis mezzobusiness license, a cannabis mezzobusiness must apply for and obtain at least two of the following endorsements ~~identified in subdivisions 5, 6, 7, and 8.~~:

(1) a cannabis cultivation endorsement under section 342.25;

(2) a cannabis extraction and concentration endorsement under section 342.26;

(3) a hemp extraction and concentration endorsement under section 342.26;

(4) a creation of artificially derived cannabinoids endorsement under section 342.26;

(5) an edible cannabinoid product handler endorsement under section 342.26;

(6) a production of consumer products endorsement under section 342.26; or

(7) a cannabis retail operations endorsement under section 342.27.

(b) If a cannabis mezzobusiness fails to obtain multiple endorsements within 18 months, the office may suspend, revoke, or not renew the license as provided in section 342.21.

Sec. 30. Minnesota Statutes 2024, section 342.29, subdivision 10, is amended to read:

Subd. 10. **Transportation between facilities.** A cannabis mezzobusiness ~~may~~ seeking to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities operated by the cannabis mezzobusiness ~~if~~ must

apply for and obtain an internal transporter endorsement. To obtain an internal transporter endorsement, the cannabis mezzobusiness must:

(1) ~~provides~~ provide the office with the information described in section 342.35, subdivision 2; and

(2) ~~complies~~ comply with the requirements of section 342.36.

Sec. 31. Minnesota Statutes 2025 Supplement, section 342.30, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis cultivator seeking to cultivate cannabis must apply for and obtain a cannabis cultivation endorsement.

(b) A cannabis cultivator ~~license entitles the license holder to~~ with a cannabis cultivation endorsement may:

(1) grow cannabis plants within the approved amount of space from seed or immature plant to mature plant;

(2) harvest cannabis flower from a mature plant;

(3) package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses;

(4) sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(5) transport cannabis flower to a cannabis manufacturer located on the same premises; and

(6) perform other actions approved by the office.

Sec. 32. Minnesota Statutes 2024, section 342.30, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis ~~cultivator license~~ cultivation endorsement must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed size and layout of the cultivation facility; plans for wastewater and waste disposal for the cultivation facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the cultivation facility; and plans for compliance with the applicable building code and federal and state environmental and workplace safety requirements;

(2) a cultivation plan demonstrating the proposed size and layout of the cultivation facility that will be used exclusively for cultivation including the total amount of plant canopy; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Sec. 33. Minnesota Statutes 2024, section 342.31, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis ~~manufacturer license~~ extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement must submit the following information in a form approved by the office:

(1) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; plans for wastewater and waste disposal for the manufacturing facility; plans for providing electricity, water, and other utilities necessary for the normal operation of the manufacturing facility; and plans for compliance with applicable building code and federal and state environmental and workplace safety requirements; and

(2) evidence that the business will comply with the applicable operation requirements for the endorsement being sought.

Sec. 34. Minnesota Statutes 2024, section 342.31, subdivision 5, is amended to read:

Subd. 5. **Manufacturing operations.** A cannabis manufacturer must comply with the requirements in section 342.26. A cannabis manufacturer must apply for and obtain a cannabis extraction and concentration endorsement, a hemp extraction and concentration endorsement, a creation of artificially derived cannabinoids endorsement, a production of consumer products endorsement, or an edible product handler endorsement before conducting activities authorized only under the applicable endorsement.

Sec. 35. Minnesota Statutes 2025 Supplement, section 342.32, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A cannabis retailer seeking to conduct retail sales of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products must apply for and obtain a cannabis retail operations endorsement.

(b) A cannabis retailer ~~license entitles the license holder to~~ with a cannabis retail operations endorsement may:

(1) purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, and medical cannabis combination businesses;

(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer or lower-potency hemp edible wholesaler;

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Sec. 36. Minnesota Statutes 2024, section 342.32, subdivision 3, is amended to read:

Subd. 3. **Additional information required.** In addition to the information required to be submitted under section 342.14, subdivision 1, and rules adopted pursuant to that section, a person, cooperative, or business seeking a cannabis retail ~~license~~ operations endorsement must submit the following information in a form approved by the office:

(1) a list of every retail license held by the applicant and, if the applicant is a business, every retail license held, either as an individual or as part of another business, by each officer, director, manager, and general partner of the cannabis business;

(2) an operating plan demonstrating the proposed layout of the facility, including a diagram of ventilation and filtration systems; policies to avoid sales to individuals who are under 21 years of age; identification of a restricted area for storage; and plans to prevent the visibility of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to individuals outside the retail location; and

(3) evidence that the business will comply with the applicable operation requirements for the license being sought.

Sec. 37. Minnesota Statutes 2025 Supplement, section 342.43, subdivision 2, is amended to read:

Subd. 2. **Multiple licenses; limits.** (a) A person, cooperative, or business may hold any combination of a lower-potency hemp edible manufacturer, a lower-potency hemp edible wholesaler, and a lower-potency hemp edible retailer license.

(b) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, and also holding a license to cultivate industrial hemp issued pursuant to chapter 18K.

(c) Nothing in this section prohibits a person, cooperative, or business from holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, and also holding any other license, including but not limited to a license to prepare or sell food; sell tobacco, tobacco-related devices, electronic delivery devices as defined in section 609.685, subdivision 1, and nicotine and lobelia delivery products as described in section 609.6855; or manufacture or sell alcoholic beverages as defined in section 340A.101, subdivision 2.

(d) A person, cooperative, or business holding a lower-potency hemp edible manufacturer license, a lower-potency hemp edible wholesaler license, a lower-potency hemp edible retailer license, or any combination of those licenses, may ~~not~~ hold a cannabis business license.

Sec. 38. Minnesota Statutes 2025 Supplement, section 342.44, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement. A labor peace agreement entered into on or after August 15, 2025, must address the duration of the election.

(d) The office may determine whether any civil or regulatory violation as determined by the office, another state agency, a local government, or any other jurisdiction disqualifies an individual or business from receiving a hemp business license issued under this chapter. The office may determine the length of the disqualification.

Sec. 39. Minnesota Statutes 2024, section 342.44, subdivision 2, is amended to read:

Subd. 2. **Issuance; eligibility; prohibition on transfer.** (a) The office may issue a hemp business license to an applicant who:

(1) is at least 21 years of age;

(2) has completed an application for licensure or application for renewal and has fully and truthfully complied with all information requests relating to license application and renewal;

(3) has paid the applicable application and license fees pursuant to section 342.11; and

(4) is not employed by the office or any state agency with regulatory authority over this chapter~~; and~~.

~~(5) does not hold any cannabis business license.~~

(b) Licenses must be renewed annually.

(c) Licenses may not be transferred.

Sec. 40. Minnesota Statutes 2024, section 342.45, subdivision 3, is amended to read:

Subd. 3. **Extraction and concentration.** (a) A lower-potency hemp edible manufacturer ~~that creates~~ seeking to create hemp concentrate ~~or~~ must apply for and obtain a lower-potency hemp extraction and concentration endorsement. A lower-potency hemp edible manufacturer seeking to create artificially derived cannabinoids must apply for and obtain ~~an~~ a lower-potency hemp creation of artificially derived cannabinoid endorsement from the office.

(b) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp extraction and concentration endorsement ~~to create hemp concentrate~~ must inform the office of all methods of extraction and concentration that the manufacturer intends to use and identify the volatile chemicals, if any, that will be involved in the creation of hemp concentrate. A lower-potency hemp edible manufacturer may not use a method of extraction and concentration or a volatile chemical without approval by the office.

(c) A lower-potency hemp edible manufacturer ~~seeking an~~ with a lower-potency hemp creation of artificially derived cannabinoid endorsement ~~to create artificially derived cannabinoids~~ must inform the office of all methods of conversion that the manufacturer will use, including any specific catalysts that the manufacturer will employ, to create artificially derived cannabinoids and the molecular nomenclature of all cannabinoids or other chemical compounds that the manufacturer will create. A ~~business licensed or authorized to manufacture lower-potency hemp edibles~~ lower-potency hemp edible manufacturer may not use a method of conversion or a catalyst without approval by the office.

(d) A lower-potency hemp edible manufacturer with a lower-potency hemp extraction and concentration endorsement or a lower-potency hemp creation of artificially derived cannabinoid endorsement must obtain a certification from an independent third-party industrial hygienist or professional engineer approving:

(1) all electrical, gas, fire suppression, and exhaust systems; and

(2) the plan for safe storage and disposal of hazardous substances, including but not limited to any volatile chemicals.

(e) Upon the sale of hemp concentrate or artificially derived cannabinoids to any person, cooperative, or business, a lower-potency hemp edible manufacturer must provide a statement to the buyer that discloses the method of extraction and concentration or conversion used and any solvents, gases, or catalysts, including but not limited to any volatile chemicals involved in that method.

Sec. 41. Minnesota Statutes 2025 Supplement, section 342.62, subdivision 2, is amended to read:

Subd. 2. **Packaging requirements.** (a) ~~Except as provided in paragraph (b),~~ All ~~cannabis flower,~~ cannabis products, lower-potency hemp edibles, and hemp-derived consumer products sold to customers or patients must be~~:~~

~~(1)~~ prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque~~;~~ ~~or~~.

~~(2) placed in packaging or a container that is plain, child-resistant, tamper-evident, and opaque at the final point of sale to a customer.~~

(b) All cannabis flower sold to customers or patients must be prepackaged unless the business selling the cannabis flower holds a cannabis flower packaging endorsement.

~~(b)~~ (c) The requirement that packaging be child-resistant does not apply to a lower-potency hemp edible that is intended to be consumed as a beverage.

~~(c)~~ (d) If a cannabis product, lower-potency hemp edible, or a hemp-derived consumer product is packaged in a manner that includes more than a single serving, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size.

~~(d)~~ (e) Notwithstanding paragraph ~~(c)~~ (d), any edible cannabinoid products that are intended to be combined with food or beverage products before consumption must indicate a single serving using one of the following methods:

(1) the product is packaged in individual servings;

(2) the product indicates a single serving by scoring or use of another indicator that appears on the product; or

(3) the product is sold with a calibrated dropper, measuring spoon, or similar device for measuring a single serving.

~~(e)~~ (f) A package containing multiple servings of a lower-potency hemp edible that is not intended to be consumed as a beverage must not contain:

(1) more than 50 milligrams of delta-9 tetrahydrocannabinol;

(2) more than 1,000 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene~~:~~;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(f)~~ (g) A single container containing a lower-potency hemp edible ~~product~~ that is intended to be consumed as a beverage must not contain:

(1) more than ten milligrams of delta-9 tetrahydrocannabinol;

(2) more than 200 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene;

(3) more than the established limit of any other cannabinoid authorized by the office; or

(4) any combination of those cannabinoids that exceeds the identified amounts for the applicable product category.

~~(g)~~ (h) Edible cannabis products and lower-potency hemp edibles containing more than a single serving must be prepackaged ~~or placed at the final point of sale~~ in packaging or a container that is resealable.

Sec. 42. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis combination business, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) ~~information on the usage of the cannabis flower or hemp-derived consumer product~~ the type of product, including directions on usage;

(8) ~~the following statement: "Keep this product out of reach of children."~~ the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(9) any other statements or information required by the office.

Sec. 43. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products excluding lower-potency hemp edibles.** ~~(a)~~ All cannabis products, ~~lower-potency hemp edibles,~~ hemp concentrate, hemp-derived consumer products other than products subject to the requirements under subdivision 2, and medical cannabinoid

products~~, and hemp-derived topical products~~ sold to customers or patients must have affixed to the packaging or container of the ~~cannabis~~ product a label that contains at least the following information:

~~(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis combination business, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;~~

~~(2)~~ (1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis combination business, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis combination business that manufactured the product;

~~(3)~~ (2) the net weight of the ~~cannabis~~ product~~, lower-potency hemp edible, or hemp-derived consumer product~~ in the package or container;

~~(4)~~ (3) the type of ~~cannabis~~ product, ~~lower-potency hemp edible, or hemp-derived consumer product~~ including directions on usage;

~~(5)~~ (4) the batch number;

~~(6)~~ (5) the serving size;

~~(7)~~ (6) the cannabinoid profile per serving and in total;

~~(8)~~ (7) a list of ingredients;

~~(9)~~ (8) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

~~(10)~~ (9) a warning symbol ~~developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:~~ established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

~~(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;~~

~~(ii) is in a highly visible color;~~

~~(iii) includes a visual element that is commonly understood to mean a person should stop;~~

~~(iv) indicates that the product is not for children; and~~

~~(v) includes the phone number of the Minnesota Poison Control System;~~

~~(11)~~ (10) verification that the ~~cannabis~~ product~~, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product~~ was tested according to section 342.61 ~~and that~~

~~the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards~~; and

~~(12) information on the usage of the product;~~

~~(13) the following statement: "Keep this product out of reach of children."; and~~

~~(14)~~ (11) any other statements or information required by the office.

~~(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).~~

Sec. 44. Minnesota Statutes 2024, section 342.63, subdivision 4, is amended to read:

Subd. 4. **Additional content of label; medical cannabis flower and medical cannabinoid products.** In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) if applicable, the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse~~, if applicable~~; and

(3) the patient's registry identification number.

Sec. 45. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 5, is amended to read:

Subd. 5. **Content of label; hemp-derived topical products.** (a) All hemp-derived topical products sold to customers must have affixed to the packaging or container of the product a label that ~~contains~~ includes at least the following information:

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

(b) All hemp-derived topical products that contain THC must have affixed to the product's packaging or container a label that includes at least the following information:

(1) the information required in paragraph (a);

(2) the amount or percentage of THC per serving and the total THC;

(3) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(4) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center; and

(5) information that the product was tested according to section 342.61, subdivision 4.

Sec. 46. Minnesota Statutes 2024, section 342.63, is amended by adding a subdivision to read:

Subd. 7. **Labeling of lower-potency hemp edibles.** (a) All lower-potency hemp edible products must have affixed to the packaging or container a label that includes at least the following information:

(1) information about the business that cultivated the hemp parts used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and business's license number;

(2) information about the business that manufactured the hemp concentrate and artificially derived cannabinoids used in the product, including either:

(i) the business's name, the business's address, and the country and state, if applicable, where the business operates; or

(ii) the business's name and the business's license number;

(3) the net weight of the lower-potency hemp edible product in the package or container;

(4) the batch number;

(5) the serving size;

(6) the cannabinoid profile per serving and total THC;

(7) a list of ingredients;

(8) the universal symbol established by the office indicating that the package or container contains a product containing THC;

(9) the warning symbol established by the office indicating that the product is not for children and information about the Minnesota Poison Control Center;

(10) verification that the lower-potency hemp edible was tested according to section 342.61;

(11) directions on the usage of the product; and

(12) any other statements or information required by the office.

(b) A cannabis or hemp business selling lower-potency hemp edibles to customers may provide customers with the required information in paragraph (a), clauses (1), (2), and (4), through the use of a scannable barcode affixed to the label of the product if the barcode is accurate and active at all times.

(c) The label of a lower-potency hemp edible product that contains only nonintoxicating cannabinoids approved by the office and that does not include THC is not required to include the universal symbol in paragraph (a), clause (8).

Sec. 47. Minnesota Statutes 2024, section 342.66, subdivision 3, is amended to read:

Subd. 3. **Approved cannabinoids.** (a) Products manufactured, marketed, distributed, and sold under this section may contain cannabidiol or cannabigerol. Except as provided in paragraph (c), products may not contain any other cannabinoid unless approved by the office.

(b) The office may approve any cannabinoid~~, other than any tetrahydrocannabinol,~~ and authorize its use in manufacturing, marketing, distribution, and sales under this section ~~if the office determines that the cannabinoid is a nonintoxicating cannabinoid~~.

(c) A product manufactured, marketed, distributed, and sold under this section may contain ~~cannabinoids other than cannabidiol, cannabigerol, or any other cannabinoid approved by the office provided that the cannabinoids are~~ hemp concentrate that is naturally occurring in hemp plants or hemp plant parts and ~~the total of all other cannabinoids present in a product does not exceed one milligram per package~~ must not contain more than 0.3 percent total THC.

ARTICLE 3

ADULT-USE AND MEDICAL CANNABIS STREAMLINING

Section 1. Minnesota Statutes 2024, section 342.01, subdivision 14, is amended to read:

Subd. 14. **Cannabis business.** "Cannabis business" means any of the following licensed under this chapter:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service; and

(11) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 2. Minnesota Statutes 2025 Supplement, section 342.01, subdivision 48, is amended to read:

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

(13) lower-potency hemp edible retailer; or

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 3. Minnesota Statutes 2024, section 342.01, subdivision 52, is amended to read:

Subd. 52. **Medical cannabinoid product.** (a) "Medical cannabinoid product" means a cannabis product that~~:~~

~~(1) consists of or contains cannabis concentrate or hemp concentrate or is infused with cannabinoids, including but not limited to artificially derived cannabinoids; and~~

~~(2)~~ is provided to a patient enrolled in the registry program; a visiting patient; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient, by a registered designated caregiver, cannabis retailer, or cannabis business with a medical cannabis retail endorsement to treat or alleviate the symptoms of a qualifying medical condition.

~~(b) A medical cannabinoid product must be in the form of:~~

~~(1) liquid, including but not limited to oil;~~

~~(2) pill;~~

~~(3) liquid or oil for use with a vaporized delivery method;~~

~~(4) water-soluble cannabinoid multiparticulate, including granules, powder, and sprinkles;~~

~~(5) orally dissolvable product, including lozenges, gum, mints, buccal tablets, and sublingual tablets;~~

~~(6) edible products in the form of gummies and chews;~~

~~(7) topical formulation; or~~

~~(8) any allowable form or delivery method approved by the office.~~

~~(c) Medical cannabinoid product does not include adult-use cannabis products or hemp-derived consumer products.~~

(b) A medical cannabinoid product may contain or be infused with cannabinoids derived from hemp that have been approved by the office as nonintoxicating.

Sec. 4. Minnesota Statutes 2024, section 342.01, subdivision 54, is amended to read:

Subd. 54. **Medical cannabis flower.** "Medical cannabis flower" means cannabis flower provided to a patient enrolled in the registry program or a visiting patient; a registered designated caregiver; or a parent, legal guardian, or spouse of an enrolled patient by a registered designated caregiver, cannabis retailer, or cannabis business with a medical cannabis retail endorsement to treat or alleviate the symptoms of a qualifying medical condition. ~~Medical cannabis flower does not include adult-use cannabis flower.~~

Sec. 5. Minnesota Statutes 2024, section 342.09, subdivision 3, is amended to read:

Subd. 3. **Home extraction of cannabis concentrate by use of volatile solvent prohibited.** No person may use a volatile solvent to separate or extract cannabis concentrate or hemp concentrate

without a cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, cannabis manufacturer, ~~medical cannabis combination business,~~ or lower-potency hemp edible manufacturer license issued under this chapter.

Sec. 6. Minnesota Statutes 2025 Supplement, section 342.10, is amended to read:

342.10 LICENSES; TYPES.

The office shall issue the following types of license:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

(13) lower-potency hemp edible retailer; and

(14) ~~medical~~ cannabis ~~combination business~~ macrobusiness.

Sec. 7. Minnesota Statutes 2025 Supplement, section 342.11, is amended to read:

342.11 LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of $500;

(ii) an initial license fee of $0; and

(iii) a renewal license fee of $2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(3) for a cannabis cultivator:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $30,000;

(4) for a cannabis manufacturer:

(i) an application fee of $10,000;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $20,000;

(5) for a cannabis retailer:

(i) an application fee of $2,500;

(ii) an initial license fee of $2,500; and

(iii) a renewal license fee of $5,000;

(6) for a cannabis wholesaler:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(7) for a cannabis transporter:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(8) for a cannabis testing facility:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

(iii) a renewal license fee of $10,000;

(9) for a cannabis delivery service:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(10) for a cannabis event organizer:

(i) an application fee of $750; and

(ii) an initial license fee of $750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of $250;

(ii) an initial license fee of $1,000; and

(iii) a renewal license fee of $1,000;

(12) for a lower-potency hemp edible wholesaler:

(i) an application fee of $250;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $10,000;

(13) for a lower-potency hemp edible retailer:

(i) an application fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location;

(ii) an initial license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(iii) a renewal license fee of $250 or, if the lower-potency hemp retailer operates more than one retail location, $250 per retail location; and

(14) for a ~~medical~~ cannabis ~~combination business~~ macrobusiness:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $70,000.

Sec. 8. Minnesota Statutes 2025 Supplement, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

Subdivision 1. **Transfer of licenses.** (a) Licenses issued under this chapter that are available to all applicants pursuant to section 342.14, subdivision 1b, paragraph (c), may be freely transferred subject to the prior written approval of the office unless the license holder has not received a final site inspection or the license holder is a social equity applicant.

(b) Licenses issued as social equity licenses pursuant to either section 342.14, subdivision 1b, paragraph (b), or section 342.175, paragraph (b), may only be transferred to another social equity applicant for three years after the date on which the office issues the license. Three years after the date of issuance, a license holder may transfer a license to any entity. Transfer of a license that was issued as a social equity license must be reviewed by the Division of Social Equity and is subject to the prior written approval of the office.

(c) Preliminary license approval issued pursuant to section 342.14, subdivision 5, may not be transferred.

(d) A new license must be obtained when~~:~~

~~(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or~~

~~(2)~~ the ~~licensee~~ license holder dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(e) Licenses must be renewed annually.

~~(f) License holders may petition the office to adjust the tier of a license issued within a license category if the license holder meets all applicable requirements.~~

~~(g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed $250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.~~

Subd. 2. **License availability.** (a) Beginning January 1, 2027, the office may determine whether licenses are available for a license holder that is a cannabis microbusiness or cannabis mezzobusiness to petition to reclassify the license holder as another type of business, either as a cannabis mezzobusiness or cannabis macrobusiness.

(b) If the office determines that licenses are available, subject to section 342.14, subdivision 1a, the office must announce the date on which the office will begin accepting petitions from applicants seeking reclassification. When approving reclassification of a license, the office must give priority to:

(1) any cannabis microbusiness with a medical retail endorsement that is seeking reclassification; or

(2) any cannabis mezzobusiness with a medical endorsement that is seeking reclassification.

(c) The office shall establish procedures for the processing of petitions to reclassify under this subdivision. A license holder that seeks to reclassify its license as a cannabis mezzobusiness or cannabis macrobusiness must include in its petition to reclassify at least the following information, if applicable:

(1) its status as a social equity license holder;

(2) the number of medical endorsements held and a description of the manner in which medical patients are provided services;

(3) financial statements exhibiting the ability to operate a larger license;

(4) a transition plan that describes how the license holder will comply with all statutes and rules applicable to the reclassified license; and

(5) a description of the planned growth of the license holder up to the limits of the new license type.

(d) After a license holder submits a petition to reclassify that contains all required information, the office must review the petition. The office may deny a petition if:

(1) the petition is incomplete;

(2) the petition contains a materially false statement about the applicant or omits information required under this subdivision;

(3) the license holder does not meet the qualifications under section 342.16;

(4) the license holder is prohibited from holding the license under section 342.18, subdivision 2;

(5) the license holder does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the petition was not submitted by the petition deadline;

(7) the license holder has unpaid fines or fees or has engaged in substantial noncompliance with this chapter; or

(8) the office determines that the applicant would be prohibited from holding a license for any other reason.

(e) The office may request additional information from any license holder if the office determines that the information is necessary to review or process the petition. If the license holder does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the petition.

(f) If the office denies a petition, the office must notify the license holder of the denial and the basis for the denial.

(g) A license holder whose petition is not denied under this subdivision is a qualified petitioner. The office shall reclassify the license of all qualified petitioners holding a social equity license. The number of reclassified licenses approved for social equity applicants must be equal to or greater than the number of reclassified licenses approved for all applicants. In the event the number of qualified petitioners not classified as social equity license holders exceeds the number of qualified petitioners classified as social equity license holders, the office shall select qualified petitioners using the methods in section 342.14, subdivision 4.

(h) Reclassification according to this subdivision must not remove the social equity license status from a social equity license.

(i) A license holder that submits a petition to reclassify its license may continue operations pending office determination on the petition. A license holder that submits a petition to reclassify its license that is denied retains their existing license.

Sec. 9. Minnesota Statutes 2025 Supplement, section 342.13, is amended to read:

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

(g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or lower-potency hemp edible retailer with a retail operations endorsement~~, or medical cannabis combination business operating a retail location~~ poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis macrobusinesses with a retail operations endorsement, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (h).

(k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

Sec. 10. Minnesota Statutes 2024, section 342.175, is amended to read:

342.175 SOCIAL EQUITY LICENSE CLASSIFICATION.

(a) The office must classify licenses listed in section 342.10, clauses (1) to (10) and ~~(13)~~ (14) as:

(1) available to social equity applicants who meet the requirements of section 342.17; and

(2) available to all applicants.

(b) The office must classify any license issued to a social equity applicant as a social equity license.

Sec. 11. Minnesota Statutes 2025 Supplement, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses, mezzobusiness licenses, or ~~medical~~ cannabis ~~combination business~~ macrobusiness licenses, or the issuance of lower-potency hemp edible manufacturer, lower-potency hemp edible wholesaler, and lower-potency hemp edible retailer licenses to the same person or entity.

Sec. 12. Minnesota Statutes 2024, section 342.22, subdivision 1, is amended to read:

Subdivision 1. **Registration required.** Before making retail sales to customers or patients, a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer must register with the city, town, or county in which the retail establishment is located. A county may issue a registration in cases where a city or town has provided consent for the county to issue the registration for the jurisdiction.

Sec. 13. Minnesota Statutes 2025 Supplement, section 342.22, subdivision 3, is amended to read:

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or preliminary license approval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with any applicable local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Sec. 14. Minnesota Statutes 2024, section 342.22, subdivision 5, is amended to read:

Subd. 5. **Registration suspension and cancellation; notice to office; penalties.** (a) If a local unit of government determines that a cannabis business or hemp business with a retail registration issued by the local unit of government is not operating in compliance with the requirements of a local ordinance authorized under section 342.13 or that the operation of the business poses an immediate threat to the health or safety of the public, the local unit of government may suspend the retail registration of the cannabis business or hemp business. The local unit of government must immediately notify the office of the suspension and shall include a description of the grounds for the suspension.

(b) The office shall review the retail registration suspension and may order reinstatement of the retail registration or take any action described in section 342.19 or 342.21.

(c) The retail registration suspension must be for up to 30 days unless the office suspends the license and operating privilege of the cannabis business or hemp business for a longer period or revokes the license.

(d) The local unit of government may reinstate the retail registration if the local unit of government determines that any violation has been cured. The local unit of government must reinstate the retail registration if the office orders reinstatement.

(e) No cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer may make any sale to a customer or patient without a valid retail registration with a local unit of government and a valid license with any applicable endorsement from the office. A local unit of government may impose a civil penalty of up to $2,000 for each violation of this paragraph.

Sec. 15. Minnesota Statutes 2024, section 342.27, subdivision 12, is amended to read:

Subd. 12. **Prohibitions.** A cannabis business with a license or endorsement authorizing the retail sale of cannabis flower or cannabis products shall not:

(1) sell cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) give away immature cannabis plants or seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(4) operate a drive-through window;

(5) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines; ~~or~~

(6) sell cannabis plants, cannabis flower, or cannabis products if the cannabis retailer knows that any required security or statewide monitoring systems are not operational~~.~~; or

(7) sell medical cannabinoid products to a person who is not registered in the patient registry or is not enrolled in the registry program as a patient or caregiver.

Sec. 16. Minnesota Statutes 2024, section 342.35, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis transporter license entitles the license holder to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, and industrial hemp growers to cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis manufacturers, cannabis testing facilities, cannabis wholesalers, cannabis retailers, and lower-potency hemp edible retailers~~, and medical cannabis combination businesses~~ and perform other actions approved by the office.

Sec. 17. Minnesota Statutes 2024, section 342.37, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis testing facility license entitles the license holder to obtain and test immature cannabis plants and seedlings, cannabis flower, cannabis products, hemp plant parts, hemp concentrate, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products from cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, lower-potency hemp edible manufacturers, ~~medical cannabis combination businesses,~~ and industrial hemp growers.

Sec. 18. Minnesota Statutes 2025 Supplement, section 342.40, subdivision 7, is amended to read:

Subd. 7. **Cannabis event sales.** (a) Cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses operating a retail location, and lower-potency hemp edible retailers, including the cannabis event organizer, may be authorized to sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products to customers at a cannabis event.

(b) All sales of cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products at a cannabis event must take place in a retail area as designated in the premises diagram.

(c) Authorized retailers may only conduct sales within their specifically assigned area.

(d) Authorized retailers must verify the age of all customers pursuant to section 342.27, subdivision 4, before completing a sale and may not sell cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to an individual under 21 years of age.

(e) Authorized retailers may display one sample of each type of cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product available for sale. Samples of adult-use cannabis and adult-use cannabis products must be stored in a sample jar or display case and be accompanied by a label or notice containing the information required to be affixed to the packaging or container containing adult-use cannabis flower and adult-use cannabis products sold to customers. A sample may not consist of more than eight grams of adult-use cannabis flower or adult-use cannabis concentrate, or an edible cannabis product infused with more than 100 milligrams of tetrahydrocannabinol. A cannabis retailer may allow customers to smell the adult-use cannabis flower or adult-use cannabis product before purchase.

(f) The notice requirements under section 342.27, subdivision 6, apply to authorized retailers offering cannabis plants, adult-use cannabis flower, adult-use cannabinoid products, and hemp-derived consumer products for sale at a cannabis event.

(g) Authorized retailers may not:

(1) sell adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person who is visibly intoxicated;

(2) knowingly sell more cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products than a customer is legally permitted to possess;

(3) sell medical cannabis flower or medical cannabinoid products; or

(4) allow for the dispensing of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in vending machines.

(h) Except for samples of a cannabis plant, adult-use cannabis flower, adult-use cannabis product, lower-potency hemp edible, and hemp-derived consumer product, all cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must be stored in a secure, locked container that is not accessible to the public. Such items being stored at a cannabis event shall not be left unattended.

(i) All cannabis plants, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale at a cannabis event must comply with this chapter and rules adopted pursuant to this chapter regarding the testing, packaging, and labeling of those items.

(j) All cannabis plants, adult-use cannabis flower, and adult-use cannabis products sold, damaged, or destroyed at a cannabis event must be recorded in the statewide monitoring system.

Sec. 19. Minnesota Statutes 2024, section 342.41, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis delivery service license entitles the license holder to purchase cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from licensed cannabis microbusinesses with a retail endorsement, cannabis mezzobusinesses with a retail endorsement, cannabis retailers, and ~~medical~~ cannabis ~~combination businesses~~ macrobusinesses; transport and deliver cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumable products to customers; and perform other actions approved by the office.

Sec. 20. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1a. **Types of medical cannabis endorsements; authorized actions.** The office may issue the following types of medical cannabis endorsements to a license holder:

(1) a medical cannabis cultivation endorsement;

(2) a medical cannabis manufacturer endorsement; or

(3) a medical cannabis retail endorsement.

Sec. 21. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1b. **Medical cannabis cultivation endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis cultivator with a cannabis cultivation endorsement may apply for and obtain a medical cannabis cultivation endorsement.

(b) A cannabis business with a medical cannabis cultivation endorsement must:

(1) comply with the requirements of section 342.25; and

(2) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis cultivation endorsement entitles the license holder to perform the actions authorized in section 342.30, subdivision 1.

(d) A cannabis microbusiness with a medical cannabis cultivation endorsement may cultivate cannabis an additional 1,000 square feet indoors or one-quarter acre outdoors in addition to the limits in section 342.28.

(e) A cannabis mezzobusiness with a medical cannabis cultivation endorsement may cultivate cannabis an additional 3,000 square feet indoors or one-half acre outdoors in addition to the limits in section 342.29.

(f) A cannabis cultivator with a medical cannabis cultivation endorsement may cultivate an additional 6,000 square feet indoors or one acre outdoors in addition to the limits in section 342.30.

(g) Annually, at least one quarter of all cannabis flower cultivated by a cannabis business with a medical cannabis cultivation endorsement must be sold by the license holder to a cannabis business

with a medical cannabis endorsement, including the license holder if the license holder has a medical cannabis manufacturing endorsement or medical cannabis retail endorsement.

Sec. 22. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1c. **Medical cannabis manufacturer endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis manufacturer with a manufacturing endorsement may apply for and obtain a medical cannabis manufacturer endorsement.

(b) A cannabis business with a medical cannabis manufacturer endorsement must:

(1) comply with the requirements of section 342.26;

(2) manufacture high medical need products identified by the office; and

(3) otherwise meet all applicable requirements established by the office.

(c) A medical cannabis manufacturer endorsement entitles a license holder to:

(1) manufacture medical cannabinoid products; and

(2) sell medical cannabinoid products only to other cannabis businesses with a medical cannabis manufacturer endorsement or medical cannabis retail endorsement.

(d) A medical cannabinoid product must be labeled with a "Minnesota Medical Cannabis" warning symbol and must only be sold to a person, patient, or caregiver enrolled in the registry program or a visiting patient.

(e) A medical cannabis manufacturer endorsement held by a cannabis microbusiness entitles the license holder to increase the use of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

(f) A medical cannabis manufacturer endorsement held by a cannabis mezzobusiness entitles the license holder to increase the use of cannabis by dry weight up to 25 percent above the limit established by the office in rule.

Sec. 23. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1d. **Medical cannabis retail endorsement.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis macrobusiness, or cannabis retailer with a retail operations endorsement may apply for and obtain a medical cannabis retail endorsement.

(b) A cannabis business with a medical cannabis retail endorsement must:

(1) comply with all requirements of this section and section 342.27;

(2) have at least one member of staff who has earned a medical cannabis consultant certificate issued by the office and completed the required training or have at least one member of staff who is a licensed pharmacist under chapter 151;

(3) ensure availability of patient consultations as required under this section;

(4) ensure that patients and caregivers enrolled in the registry program receive priority service;

(5) carry all products identified by the office as high medical need; and

(6) otherwise meet all applicable requirements established by the office.

(c) The office must identify high medical need products and publish a list of all high medical need products on the office's publicly accessible website.

(d) A medical cannabis retail endorsement held by a cannabis business entitles the license holder to perform the actions authorized in section 342.32, subdivision 1.

(e) A cannabis microbusiness with a medical retail endorsement may operate one additional retail location in excess of the limit in section 342.28, subdivision 2, paragraph (d), if at least one retail location is located in an area identified by the office as a high medical need area.

(f) A cannabis mezzobusiness with a medical cannabis retail endorsement may operate up to two additional retail locations in excess of the limit in section 342.29, subdivision 2, paragraph (d), if at least two retail locations are located in an area identified by the office as a high medical need area.

(g) A cannabis retailer with a medical cannabis retail endorsement may operate up to three additional retail locations in excess of the limit established in section 342.32, subdivision 2, if at least three retail locations are located in an area identified by the office as a high medical need area.

Sec. 24. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

Subd. 1e. **Additional authorized actions; external transporter endorsement and medical cannabis delivery endorsement.** (a) A cannabis microbusiness or cannabis mezzobusiness with at least two medical cannabis endorsements may apply for and obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products to and from other cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis retailers, and hemp businesses if the cannabis business:

(1) provides the office with the information required in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(b) A cannabis business with a medical cannabis retail endorsement may apply for and obtain a medical cannabis delivery endorsement to deliver medical cannabis flower and medical cannabinoid products to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient if the cannabis business:

(1) provides the office with the information required in section 342.41, subdivision 2; and

(2) complies with the requirements of subdivisions 2 and 3 and section 342.42.

Sec. 25. Minnesota Statutes 2025 Supplement, section 342.51, subdivision 2, is amended to read:

Subd. 2. **Distribution requirements.** ~~(a)~~ Prior to distribution of medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program, an employee of a cannabis business must:

(1) review and confirm the patient's enrollment in the registry program;

(2) verify that the person requesting the distribution of medical cannabis flower or medical cannabinoid products is the patient~~,~~; the patient's registered designated caregiver~~,~~; or the patient's parent, legal guardian, or spouse using the procedures established by the office;

(3) confirm that the patient had a consultation with: (i) an employee with a valid medical cannabis consultant certificate issued by the office; or (ii) an employee who is a licensed pharmacist under chapter 151 to determine the proper medical cannabis flower or medical cannabinoid product, dosage, and paraphernalia for the patient if required under subdivision 3;

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by the office; and

(5) provide the patient with any other information required by the office.

~~(b) A cannabis business with a medical cannabis retail endorsement may not deliver medical cannabis flower or medical cannabinoid products to a person enrolled in the registry program unless the cannabis business with a medical cannabis retail endorsement also holds a cannabis delivery service license. The delivery of medical cannabis flower and medical cannabinoid products are subject to the provisions of section 342.42.~~

Sec. 26. Minnesota Statutes 2024, section 342.515, as amended by Laws 2025, chapter 31, sections 89 and 90, is amended to read:

342.515 ~~MEDICAL~~ CANNABIS ~~COMBINATION BUSINESSES~~ MACROBUSINESSES.

Subdivision 1. **Authorized actions.** ~~(a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.~~

~~(b) A person or business may hold only one medical cannabis combination business license.~~

~~(c)~~ (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness license, consistent with the requirements of specific license endorsements approved by the office, entitles the license holder to perform ~~any or all of~~ the following ~~within the limits established by this section~~ actions:

(1) grow cannabis plants from seed or immature plant to mature plant ~~and~~, harvest adult-use cannabis flower and medical cannabis flower from a mature plant, package and label cannabis flower for sale to other cannabis businesses, and sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses;

(2) make cannabis concentrate;

(3) make hemp concentrate, including hemp concentrate with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent as measured by weight;

(4) manufacture artificially derived cannabinoids;

~~(5) manufacture medical cannabinoid products;~~

~~(6)~~ (5) manufacture, package, and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

~~(7)~~ (6) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another ~~medical~~ cannabis ~~combination business~~ macrobusiness;

~~(8)~~ (7) purchase hemp plant parts and propagules from an industrial hemp grower licensed under chapter 18K;

~~(9)~~ (8) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another ~~medical~~ cannabis ~~combination business~~ macrobusiness;

~~(10)~~ (9) purchase hemp concentrate from an industrial hemp processor licensed under chapter 18K;

~~(11) manufacture, package, and label medical cannabis flower and medical cannabinoid products for sale to cannabis businesses with a medical cannabis processor endorsement, cannabis businesses with a medical cannabis retail endorsement, other medical cannabis combination businesses, and persons in the registry program;~~

~~(12) transport and deliver medical cannabis flower and medical cannabinoid products to medical cannabis processors, medical cannabis retailers, other medical cannabis combination businesses, patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(13) manufacture, package, and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers and other cannabis businesses;~~

~~(14) sell medical cannabis flower and medical cannabinoid products to other cannabis businesses with a medical endorsement, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;~~

~~(15)~~ (10) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law ~~to other cannabis businesses and~~ to customers;

~~(16) transport immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses;~~

~~(17)~~ (11) sell ~~and transport~~ lower-potency hemp edibles to lower-potency hemp edible retailers and lower-potency hemp edible wholesalers; and

~~(18)~~ (12) perform other actions approved by the office.

~~(d) A medical cannabis combination business is not required to obtain a medical cannabis endorsement to perform any actions authorized under this section.~~

(b) A cannabis macrobusiness must apply for and obtain a medical manufacturing endorsement and at least one other medical cannabis endorsement identified in section 342.51.

Subd. 2. **Cultivation endorsement; size limitations.** (a) A cannabis macrobusiness seeking to cultivate cannabis plants and harvest cannabis flower must obtain a cannabis cultivation endorsement and comply with section 342.25.

(b) A cannabis macrobusiness that obtains a cannabis cultivation endorsement must apply for and obtain a medical cannabis cultivation endorsement and comply with section 342.51, subdivision 1b.

~~(a)~~ (c) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as medical cannabis flower or used in medical cannabinoid products in an area of up to 60,000 square feet of plant canopy subject to the limits on adult-use cannabis cultivation in paragraph (c). A medical cannabis combination business may cultivate cannabis and manufacture cannabis in more than one location, except the aggregate total of plant canopy in all locations must count toward the business' canopy limit.~~ macrobusiness that cultivates cannabis at an indoor facility may cultivate up to 30,000 square feet of plant canopy.

~~(b)~~ (d) A ~~medical~~ cannabis ~~combination business may cultivate cannabis to be sold as adult-use cannabis flower or used in adult-use cannabis products in an area authorized by the office as described in paragraph (c).~~ macrobusiness that cultivates cannabis at an outdoor location may cultivate up to two acres of mature, flowering plants.

~~(c) The office shall authorize a medical cannabis combination business to cultivate cannabis for sale in the adult-use market in an area of plant canopy that is equal to one-half of the area the business used to cultivate cannabis sold in the medical market in the preceding year. The office shall establish an annual verification and authorization procedure. The office may increase the area of plant canopy in which a medical cannabis combination business is authorized to cultivate cannabis for sale in the adult-use market between authorization periods if the business demonstrates a significant increase in the sale of medical cannabis and medical cannabis products.~~

(e) A cannabis macrobusiness with a cannabis cultivation endorsement and a retail operations endorsement may package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers.

(f) A cannabis macrobusiness with a medical cannabis cultivation endorsement and a medical cannabis retail endorsement may package and label medical cannabis flower and medical cannabinoid products for sale to patients enrolled in the registry program; registered designated caregivers; and parents, legal guardians, and spouses of an enrolled patient.

Subd. 3. ~~**Manufacturing**~~ **Manufacturer endorsement; size limitations.** (a) By rule, the office may establish limits on cannabis manufacturing that are consistent with the area of plant canopy a business is authorized to cultivate. Until the office establishes limits by rule, a cannabis macrobusiness must not use more than 90,000 pounds of cannabis or its dry-weight equivalent of raw concentrates to manufacture cannabis products.

(b) A cannabis macrobusiness must apply for and obtain a medical cannabis manufacturer endorsement and must comply with section 342.51, subdivision 1c.

(c) A cannabis macrobusiness may apply for and obtain one or more cannabis manufacturer endorsements identified in section 342.26.

Subd. 4. **Retail operations endorsement; locations.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness with a retail operations endorsement may operate up to ~~one retail location in each congressional district. A medical cannabis combination business must offer medical cannabis flower, medical cannabinoid products, or both at every retail location.~~ eight retail locations and, if operating more than five retail locations, must ensure that at least three retail locations are located in areas identified by the office as high medical need areas.

(b) A cannabis macrobusiness may apply for and obtain a retail operations endorsement and must comply with section 342.27.

(c) A cannabis macrobusiness with a retail operations endorsement must apply for and obtain a medical cannabis retail operations endorsement and comply with section 342.51, subdivision 1d.

(d) A cannabis macrobusiness with a retail operations endorsement and a medical cannabis retail operations endorsement must carry and make available for sale, at each retail location, all high medical need products identified by the office.

Subd. 5. **Failure to participate; suspension or revocation of license.** The office may suspend or revoke a ~~medical~~ cannabis ~~combination business~~ macrobusiness license if the office determines that the business is no longer actively participating in the medical cannabis market. ~~The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.~~ If a cannabis macrobusiness fails to obtain or operate under a medical cannabis manufacturer endorsement or fails to carry and make available for sale, at each retail location, high medical need products identified by the office, the office may suspend or revoke the cannabis macrobusiness's license under this subdivision.

~~Subd. 6. **Operations.** A medical cannabis combination business must comply with the relevant requirements of sections 342.25, 342.26, 342.27, and 342.51, subdivisions 2 to 5.~~

Subd. 7. ~~**Transportation**~~ **Internal transporter endorsement and external transporter endorsement.** (a) A ~~medical~~ cannabis ~~combination business~~ macrobusiness may obtain an internal transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products between facilities owned by the license holder if the ~~medical~~ cannabis ~~combination business~~ macrobusiness:

(1) provides the office with the information described in section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

(b) A cannabis macrobusiness with at least two medical cannabis endorsements may apply for and obtain an external transporter endorsement to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, and hemp-derived consumer products to and from other cannabis microbusinesses, cannabis mezzobusinesses, cannabis macrobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis retailers, and hemp businesses if the cannabis macrobusiness:

(1) provides the office with the information required under section 342.35, subdivision 2; and

(2) complies with the requirements of section 342.36.

Subd. 8. **Multiple licenses.** (a) A person, cooperative, or business holding a cannabis macrobusiness license may also hold a cannabis event organizer license.

(b) Except as provided in paragraph (a), a person, cooperative, or business holding a cannabis macrobusiness license is prohibited from owning or operating any other cannabis business or hemp business or holding more than one cannabis macrobusiness license.

(c) For purposes of this subdivision, a restriction on the number or type of licenses that a business may hold applies to every cooperative member or every director, manager, and general partner of a cannabis business.

Subd. 9. **Conversion of licenses.** (a) By January 1, 2028, the office must convert any existing medical cannabis combination business licenses to cannabis macrobusiness licenses.

(b) Beginning January 1, 2029, the office may determine the number of available cannabis macrobusiness licenses for applicants who do not have an existing license under this chapter. The office must make the determination under this paragraph according to the requirements of section 342.14, subdivision 1a. If the office is accepting applications for cannabis macrobusiness licenses from applicants without an existing license under this chapter, the office must announce the number of cannabis macrobusiness licenses available and the date on which applications will be accepted. The number of licenses available to social equity applicants must be equal to or greater than the number of licenses available to all applicants. Applicants for cannabis macrobusiness licenses must comply with the application and licensing requirements of this chapter.

Subd. 10. **Additional canopy.** (a) After each annual renewal, the office shall authorize an additional 5,000 square feet of plant canopy for a cannabis macrobusiness license holder with a

medical cultivation endorsement that cultivates cannabis at an indoor facility. The cannabis macrobusiness must be in good standing with the office to be eligible for an authorization of additional canopy. The office shall not authorize any macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an indoor facility to cultivate more than 45,000 square feet of plant canopy.

(b) After each annual renewal, the office shall authorize an additional 1/2 acre of plant canopy for a cannabis macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an outdoor facility. The cannabis macrobusiness must be in good standing with the office to be eligible for an authorization of additional canopy. The office shall not authorize any macrobusiness license holder with a medical cultivation endorsement that cultivates cannabis at an outdoor facility to cultivate more than four acres of plant canopy.

Sec. 27. Minnesota Statutes 2025 Supplement, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) A ~~cannabis business~~ license holder shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the ~~cannabis business or hemp business~~ license holder any part of the sample that remains after testing.

Sec. 28. Minnesota Statutes 2024, section 342.61, subdivision 5, is amended to read:

Subd. 5. **Test results.** (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis

cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision 4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must maintain the test results for cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness shall make test results maintained by that cannabis business or hemp business available for review by any member of the public, upon request. Test results made available to the public must be in plain language.

Sec. 29. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Sec. 30. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp concentrate, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness that manufactured the product;

(3) the net weight of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) information on the usage of the product;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Sec. 31. Minnesota Statutes 2024, section 342.63, subdivision 4, is amended to read:

Subd. 4. **Additional content of label; medical cannabis flower and medical cannabinoid products.** In addition to the applicable requirements for labeling under subdivision 2 or 3, all medical cannabis flower and medical cannabinoid products must include at least the following information on the label affixed to the packaging or container of the medical cannabis flower or medical cannabinoid product:

(1) the patient's name and date of birth;

(2) if applicable, the name and date of birth of the patient's registered designated caregiver or, if listed on the registry verification, the name of the patient's parent, legal guardian, or spouse~~, if applicable~~; and

(3) the patient's registry identification number.

Sec. 32. Minnesota Statutes 2025 Supplement, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness may include the information described in paragraph (a) by:

(1) including the information on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) posting the information in the premises of the cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or ~~medical~~ cannabis ~~combination business~~ macrobusiness; or

(3) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Sec. 33. Minnesota Statutes 2024, section 342.80, is amended to read:

342.80 LAWFUL ACTIVITIES.

(a) Notwithstanding any law to the contrary, the cultivation, manufacturing, possessing, and selling of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, and hemp-derived consumer products by a licensed cannabis business or hemp business in conformity with the rights granted by a cannabis business license or hemp business license is lawful and may not be the grounds for the seizure or forfeiture of property, arrest or prosecution, or search or inspections except as provided by this chapter.

(b) A person acting as an agent of a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, ~~medical~~ cannabis ~~combination business~~ macrobusiness, or lower-potency hemp edible retailer who sells or otherwise transfers cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to a person under 21 years of age is not subject to arrest, prosecution, or forfeiture of property if the person complied with section 342.27, subdivision 4, and any rules promulgated pursuant to this chapter.

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber Minnesota Statutes, section 342.515, as Minnesota Statutes, section 342.295, and make any necessary cross-reference changes consistent with this renumbering.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 35. **REPEALER.**

Minnesota Statutes 2024, section 342.51, subdivision 1, is repealed."

Delete the title and insert:

"A bill for an act relating to cannabis; modifying cannabis business and hemp business license and endorsement provisions; establishing a cannabis macrobusiness license; modifying labeling requirements for cannabinoid products and lower-potency hemp edible; modifying studies and an annual market analysis conducted by the Office of Cannabis Management providing that data reported to the Office of Cannabis Management through statewide monitoring system is not public data; modifying provisions related to public data on cannabis business license applicants and license holders; modifying provisions relating to local unit of government's regulation of cannabis businesses; amending Minnesota Statutes 2024, sections 342.01, subdivisions 14, 52, 54; 342.02, subdivision 2; 342.07, subdivision 3; 342.09, subdivision 3; 342.15, subdivisions 2, 5; 342.175; 342.19, subdivision 6; 342.20, subdivisions 1, 2, 3; 342.22, subdivisions 1, 4, 5; 342.23, subdivision 5; 342.25, subdivisions 1, 2, 3, 4, 5, 6, 7; 342.26, subdivisions 1, 2, 3, 4, 5; 342.27, subdivisions 1, 2, 12, by adding a subdivision; 342.28, subdivisions 6, 7, 9, 11; 342.29, subdivisions 5, 6, 8, 8a, 10; 342.30, subdivision 3; 342.31, subdivisions 3, 5; 342.32, subdivision 3; 342.35, subdivision 1; 342.37, subdivision 1; 342.39, subdivision 1; 342.41, subdivision 1; 342.44, subdivision 2; 342.45, subdivision 3; 342.51, by adding subdivisions; 342.515, as amended; 342.61, subdivision 5; 342.63, subdivision 4, by adding a subdivision; 342.66, subdivision 3; 342.80; Minnesota Statutes 2025 Supplement, sections 342.01, subdivision 48; 342.04; 342.10; 342.11; 342.12; 342.13; 342.14, subdivisions 3, 6; 342.16; 342.18, subdivision 2; 342.22, subdivision 3; 342.28, subdivision 8; 342.29, subdivision 7; 342.30, subdivision 1; 342.32, subdivision 1; 342.40, subdivision 7; 342.43, subdivision 2; 342.44, subdivision 1; 342.51, subdivision 2; 342.61, subdivision 4; 342.62, subdivision 2; 342.63, subdivisions 2, 3, 5, 6; proposing coding for new law in Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2024, sections 151.72, subdivisions 1, 2, 4, 5, 5b, 5c, 6, 7; 342.51, subdivision 1; Minnesota Statutes 2025 Supplement, section 151.72, subdivisions 3, 5a."

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

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

S.F. No. 4660: A bill for an act relating to medical examiners; modifying the procedure to select the Hennepin County medical examiner; amending Minnesota Statutes 2024, section 390.0065.

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

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

S.F. No. 2061: A bill for an act relating to real property; prohibiting limits on certain residential property rights with regard to flag display; amending Minnesota Statutes 2024, section 500.215, subdivision 1.

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 3625: A bill for an act relating to education; modifying provisions for educator licensing and standards; modifying rulemaking authority for paraprofessional credentials; providing for additional data sharing agreements; modifying professional development requirements for mental health; extending an appropriation; requiring rulemaking; appropriating money; amending Minnesota Statutes 2024, sections 120B.363, subdivisions 1, 2; 122A.09, subdivision 9; 122A.092, by adding a subdivision; 122A.182, subdivision 1; 122A.187, subdivision 6; Minnesota Statutes 2025 Supplement, sections 122A.18, subdivision 1; 122A.181, subdivision 3; 122A.182, subdivision 3; Laws 2024, chapter 115, article 10, section 5, subdivision 2.

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

Page 1, line 13, before "The" insert "By July 1, 2028,"

Page 2, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2024, section 122A.092, is amended by adding a subdivision to read:

Subd. 10. **Early literacy field experience.** (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare teacher candidates to provide instruction in early literacy must require a supervised early literacy field experience aligned to evidence-based best practices in reading consistent with sections 120B.118 to 120B.124. The early literacy field experience requirement applies to teacher candidates who enroll in teacher preparation programs in the 2027-2028 school year or later.

(b) The early literacy field experience must be integrated with learning experiences in reading instruction, including instruction on reading methods or equivalent, and must provide teacher candidates with opportunities to apply evidence-based literacy practices with students.

(c) The Professional Educator Licensing and Standards Board must adopt rules regarding the early literacy field experience requirement, including but not limited to:

(1) defining licensure areas in which teacher candidates must complete the early literacy field experience;

(2) establishing expectations for the scope and outcomes of the early literacy field experience;

(3) ensuring the field experience occurs primarily within a school building during the instructional day, while allowing for waivers when appropriate to accommodate unique program delivery models or documented hardship; and

(4) requiring the field experience includes observation with actionable feedback to ensure growth and attainment of related reading standards.

(d) In adopting rules under this subdivision, the board must allow flexibility for teacher preparation programs to demonstrate that candidates have met required standards through field experiences.

EFFECTIVE DATE. This section is effective July 1, 2026."

Page 6, line 7, reinstate the stricken language

Page 6, line 8, reinstate "~~(ii)~~" and delete "(i)"

Page 6, delete lines 9 and 10, and insert:

"(iii) is enrolled in a state-approved teacher preparation program in a bordering state with equivalent student teaching requirements;

(iv) is enrolled in a state-approved teacher preparation program not offered in Minnesota with equivalent student teaching requirements;

(v) is enrolled in a state-approved teacher preparation program in a shortage area with equivalent student teaching requirements; or"

Page 6, line 11, strike "(iii)" and insert "(vi)"

Page 6, after line 30, insert:

"Sec. 9. Minnesota Statutes 2024, section 122A.182, subdivision 5, is amended to read:

Subd. 5. **Limitations on license.** (a) A Tier 2 license is limited to the content matter indicated on the application for the initial Tier 2 license under subdivision 1, and limited to the district or charter school that requested the initial Tier 2 license.

(b) A Tier 2 license shall not be construed to bring an individual within the definition of a teacher for purposes of section 122A.40, subdivision 1, or 122A.41, subdivision 1, clause (a).

(c) A Tier 2 licensed teacher who obtains a Tier 2 license based on their enrollment in a state-approved teacher preparation program under subdivision 1, clause (5), item (iii), (iv), or (v), does not mean the teacher met the coursework requirements under section 122A.183, subdivision 2, clause (5), to obtain a Tier 3 license after three years of teaching experience under a Tier 2 license."

Page 8, lines 3 and 4, delete "Department of Education" and insert "Professional Educators Licensing and Standards Board"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 4177: A bill for an act relating to business organizations; modernizing and correcting provisions governing business services; amending Minnesota Statutes 2024, sections 5.23, subdivision 1; 268.058, subdivision 1; 336A.08, subdivisions 1, 4; 336A.09, subdivision 1; 336A.13; repealing Minnesota Statutes 2024, section 5.23, subdivision 3.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2024, section 5.02, is amended to read:

5.02 ASSISTANTS.

The secretary of state shall appoint ~~an assistant~~ a deputy secretary of state, who shall perform all the duties of the office when the secretary is absent or disabled. The secretary may also employ ~~a chief clerk, a recording clerk, and a stenographer,~~ and at pleasure dismiss two additional deputies and an executive assistant who, besides the duties indicated by their titles, shall perform such services in connection with the office as the secretary or the assistant may require. This section does not increase the complement of the secretary of state.

Sec. 2. Minnesota Statutes 2024, section 5.08, is amended to read:

5.08 LEGISLATIVE MANUAL.

Subdivision 1. **Preparation.** The secretary of state shall prepare, compile, edit, and distribute for use at each regular legislative session, a convenient manual, properly indexed, and containing: The federal and state constitutions; the acts of Congress relating to the organization of the territory and state; the rules of order and joint rules of the two houses, and lists of their members, committees and employees; the names of all state officials, whether elected or appointed, and of all persons holding office from this state under the national government; the ~~places~~ municipalities where the said several officials reside, and the annual compensation of each; and statistical and other information of the kind heretofore published in the legislative manuals.

Subd. 2. **Distribution.** ~~10,000~~ 5,000 copies of the legislative manual shall be printed and distributed as follows:

(1) up to ~~20~~ five copies shall be available to each member of the legislature on request;

(2) ~~50~~ 12 copies to the State Historical Society;

(3) ~~25~~ two copies to the state university;

(4) ~~60~~ 30 copies to the state library;

(5) ~~two copies~~ one copy each to the Library of Congress, the Minnesota veterans homes, the universities, the high schools, academies, seminaries, and colleges of the state, and the public libraries of the state;

(6) one copy each to other state institutions, the elective state officials, the appointed heads of departments, the officers and employees of the legislature, the justices of the supreme court, the judges of the court of appeals and the district court, the senators and representatives in Congress from this state, and the county auditors, recorders, and attorneys; and

(7) ~~one copy to each school, to be distributed through the superintendent of each school district; and~~

~~(8)~~ the remainder may be disposed of as the secretary of state deems best."

Pages 3 to 7, delete sections 3 to 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing positions appointed by the secretary of state; reducing printing requirements for the legislative manual;"

Amend the title numbers accordingly

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

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

S.F. No. 4889: A bill for an act relating to state government; modifying eligibility for noncommercial radio station grants; appropriating money; amending Minnesota Statutes 2024, section 129D.14, subdivision 3.

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

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

S.F. No. 4662: A bill for an act relating to capital investment; appropriating money for a memorial to Melissa Hortman on the site of the State Office Building.

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 3685: A bill for an act relating to public libraries; prohibiting certain terms in libraries' electronic book and digital audiobook license agreements or contracts; proposing coding for new law in Minnesota Statutes, chapter 134.

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

Page 2, delete lines 19 to 23

Page 2, line 24, delete "(l)" and insert "(k)"

Page 2, line 27, delete "publisher" and insert "vendor"

Page 3, line 17, delete "publisher" and insert "vendor"

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 4719: A bill for an act relating to human services; establishing a Human Services Systems Steering Committee; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 2, after line 5, insert:

"(d) The commissioner of information technology services must organize and administer the steering committee."

Page 2, after line 11, insert:

"(c) The steering committee must provide monthly updates on the committee's duties under this subdivision to the Legislative Commission on Human Services Systems under section 256.0142."

Page 2, line 27, after the first "the" insert "Legislative Commission on Human Services Systems under section 256.0142, and to the"

Page 3, after line 4, insert:

"Sec. 2. **[256.0142] LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS.**

Subdivision 1. **Establishment; duties.** (a) The Legislative Commission on Human Services Systems is created to:

(1) provide oversight and monitoring of the efforts by the counties and the Departments of Human Services; Information Technology Services; and Children, Youth, and Families to manage, develop, update, and modernize information technology systems across human services programs, including, but not limited to: MAXIS, METS, MMIS, SSIS, PRISM, and MEC2;

(2) evaluate Minnesota's state-supervised, county-administered human services system and provide recommendations for changes, if applicable. This must include evaluating any changes to roles and responsibilities for the administration and delivery of human services programs and

services, including program eligibility, case management functions, and use of third-party and nongovernmental entities;

(3) review how other states procure, administer, and deliver human services programs and services and the information technology infrastructure utilized;

(4) identify areas within the governance, procurement, and technology structures of the human services system that need to be addressed by the legislature;

(5) review reports provided to the legislature from state agencies on information technology projects and human services system transformation; and

(6) review reports and updates provided to the commission by the Human Services Systems Steering Committee under section 256.0141.

(b) The commission must work with Minnesota's Tribal Nations, counties, and the Departments of Human Services; Information Technology Services; and Children, Youth, and Families to:

(1) evaluate proposals for any modifications to information technology systems utilized by Minnesota's Tribal Nations, counties, or the Departments of Human Services and Children, Youth, and Families; and

(2) consider overall costs to the state, counties, and Tribal Nations for the implementation of any systems changes, and assess whether proposed solutions deliver improved services to Minnesotans and administrative responsibilities are efficiently delegated across stakeholders.

Subd. 2. **Members; meetings.** (a) Members of the legislative commission must include:

(1) six members from the house of representatives, including three members appointed by the speaker of the house and three members appointed by the minority leader; and

(2) six members from the senate, including three members appointed by the senate majority leader and three members appointed by the senate minority leader.

(b) Members of the commission serve a term that expires on December 31 of the even-numbered year following the year they are appointed. The speaker of the house and the majority leader of the senate must each designate a chair and vice-chair from the membership of the commission. The chair and vice-chair must rotate after each meeting.

(c) The commission must meet at least quarterly.

Subd. 3. **Administrative support.** The Legislative Coordinating Commission must provide administrative support to the commission and arrange meeting space for commission meetings.

Subd. 4. **Report.** By February 15, 2027, and annually thereafter, the commission, in cooperation with the commissioners of human services; information technology services; and children, youth, and families, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and children, youth, and families. The report must contain information on the results of the commission's evaluations, identifications, and reviews

under subdivision 1; recommendations for any legislative changes; and funding needs to implement any recommended changes.

Subd. 5. **Expiration.** This commission expires December 31, 2033.

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

Sec. 3. **LEGISLATIVE COMMISSION ON HUMAN SERVICES SYSTEMS; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142, must make first appointments to, and designate the chairs and vice-chairs of, the Legislative Commission on Human Services Systems by August 15, 2026. The member designated as chair by the majority leader of the senate must convene the first meeting of the commission by September 15, 2026."

Page 3, line 22, delete "and"

Page 3, line 25, delete the period and insert "; and"

Page 3, after line 25, insert:

"(9) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141."

Page 4, line 24, delete the second "and"

Page 4, line 25, delete the period and insert "; and"

Page 4, after line 25, insert:

"(10) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "establishing the Legislative Commission on Human Services Systems;"

Amend the title numbers accordingly

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

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

S.F. No. 4661: A bill for an act relating to local government; modifying provisions governing disposition of decedents' personal property by coroners and medical examiners; amending Minnesota Statutes 2024, sections 390.225, subdivision 5; 525.393.

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 4749: A bill for an act relating to housing; establishing the Task Force on Housing Taxes and Fees; requiring a report.

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

Page 2, line 9, after "taxes and" insert "related"

Page 2, line 10, after "permit fees" insert ", exactions"

Page 2, line 12, delete "final market" and insert "net cost of residential construction"

Page 2, line 13, delete "price of housing"

Page 2, line 14, delete "evaluate" and insert "analyze"

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

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

S.F. No. 4640: A bill for an act relating to state government; precluding state employees and legislators from taking employment with grant recipients in certain situations; amending the definition of serious crime for purposes of recalling a state officer; amending Minnesota Statutes 2024, sections 43A.38, subdivision 2, by adding a subdivision; 211C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 3; 181.

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

Page 1, line 10, before "A" insert "(a)" and delete "12 months" and insert "5 years"

Page 1, after line 12, insert:

"(b) A former legislator must not enter into a contract to provide services to a person or business entity within 12 months after leaving office if, while a member of the legislature, the person voted on final passage for a law that expressly named the person or business entity as a recipient of a grant."

Page 2, line 9, delete "12 months" and insert "5 years"

Page 2, after line 15, insert:

"(c) A former employee must not enter into a contract to provide services to a person or business entity within 12 months after leaving state service if, while employed by the state, the employee:

(1) participated in evaluating or selecting grant recipients for a grant program that awarded a grant to the person or business entity;

(2) participated in ranking grant applicants for a grant program to which the person or business entity applied; or

(3) administered or audited a grant awarded to the person or business entity."

Page 2, line 23, delete "12 months" and insert "5 years"

Page 3, line 2, delete "12 months" and insert "5 years"

Page 3, line 7, delete "12 months" and insert "10 years"

Page 3, after line 8, insert:

"Subd. 4. **Definitions.** For purposes of this section, "employ" means paying for services under a traditional employment arrangement or through contracting for services; and "employer" means a traditional employer and a person or business entity contracting for services."

Amend the title as follows:

Page 1, line 3, after "with" insert "or serve as an independent contractor for"

Page 1, line 4, after the semicolon, insert "imposing a penalty;"

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

Senator Xiong from the Committee on State and Local Government, to which was re-referred

S.F. No. 3959: A bill for an act relating to public safety; providing protections, remedies, and modifying various provisions of the Safe at Home program; establishing criminal penalties; amending Minnesota Statutes 2024, sections 5B.02; 5B.03, subdivision 1; 5B.11; 5B.13; 171.01, subdivision 45d; 171.0605, subdivision 5; 480.30, subdivision 1; Minnesota Statutes 2025 Supplement, section 43A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5B.

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

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

S.F. No. 4769: A bill for an act relating to state government; specifying responsibilities of the attorney general in civil law enforcement actions; amending Minnesota Statutes 2024, section 15.17, by adding subdivisions.

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

Delete everything after the enacting clause and insert:

"Section 1. **[15.171] ATTORNEY GENERAL CIVIL LAW ENFORCEMENT ACTIONS.**

When the attorney general institutes a civil law enforcement action on behalf of the state pursuant to any authority granted by common law, the constitution of this state, or any provision of law, the attorney general acts in the public interest of the state and not as the legal representative or attorney of any department, agency, board, commission, or other instrumentality of state government, including the executive, legislative, or judicial branches. When the attorney general institutes a civil law enforcement action on behalf of the state, the following apply:

(1) unless expressly named as a party, other public officers, departments, agencies, boards, commissions, or other instrumentalities of state government are not parties to the civil law enforcement action brought by the attorney general on behalf of the state and are not subject to party discovery in the action;

(2) the records, documents, data, knowledge, and information of other state departments, agencies, boards, commissions, or other instrumentalities of state government may only be sought by the party adverse to the state in discovery through subpoenas issued to nonparties pursuant to the Rules of Civil Procedure; and

(3) the records, documents, data, knowledge, and information of other departments, agencies, boards, commissions, or other instrumentalities of state government are not in the possession, custody, or control of the attorney general except for data collected and retained by the attorney general in anticipation of the civil law enforcement action brought by the attorney general on behalf of the state."

Amend the title numbers accordingly

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

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

S.F. No. 4874: A bill for an act relating to state government; precluding state contracts with person or business convicted of fraud; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

Page 1, line 8, delete "A state" and insert "An"

Page 1, line 9, after "been" insert "within the previous ten years"

Page 1, line 12, delete "or"

Page 1, after line 12, insert:

"(2) convicted of an attempt or conspiracy to commit any of the crimes listed in clause (1); or"

Page 1, line 13, delete "(2)" and insert "(3)"

Page 1, line 17, delete "an" and insert "at least a ten percent"

Page 1, line 18, delete "company" and insert "partnership or a person who has control over management or contracting decisions for the partnership"

Page 1, line 19, delete "an" and insert "at least a ten percent" and delete "company" and insert "corporation or a person who has control over management or contracting decisions for the corporation"

Page 1, after line 19, insert:

"Subd. 3. **Definition.** For purposes of this section, "agency" is defined in section 16C.02, subdivision 2, and includes the Minnesota State Colleges and Universities.

Subd. 4. **Permanent exclusion.** A state agency must not enter into a contract to procure goods or services with a company that has been the subject of two occurrences of the conditions of subdivision 1, clause (1) or (2)."

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

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

S.F. No. 4262: A bill for an act relating to taxes; establishing a property tax task force; requiring a report.

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

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

S.F. No. 4515: A bill for an act relating to lawful gambling; modifying certain prize and ticket limits; amending Minnesota Statutes 2024, section 349.211, subdivision 2b.

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

Page 1, line 6 before "The" insert "(a)"

Page 1, line 7, reinstate the stricken "~~$70~~" and delete "$200" and after the period, insert "The maximum value of a merchandise prize which may be awarded for a paddle ticket shall not exceed a fair market value of $200."

Page 1, after line 8, insert:

"(b) "Merchandise prize" does not include gift cards that can be redeemed for cash."

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

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

S.F. No. 4555: A bill for an act relating to state government; modifying eligibility for public television station block grants; amending Minnesota Statutes 2024, section 129D.13, subdivision 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT

Section 1. **[1.1494] STATE SLED.**

The toboggan is the official sled of the state of Minnesota.

Sec. 2. Minnesota Statutes 2024, section 3.888, subdivision 7, is amended to read:

Subd. 7. **Expiration.** The commission expires December 31, ~~2028~~ 2035.

Sec. 3. Minnesota Statutes 2024, section 5.02, is amended to read:

5.02 ASSISTANTS.

The secretary of state shall appoint ~~an assistant~~ a deputy secretary of state, who shall perform all the duties of the office when the secretary is absent or disabled. The secretary may also employ ~~a chief clerk, a recording clerk, and a stenographer,~~ and at pleasure dismiss two additional deputies and an executive assistant who, besides the duties indicated by their titles, shall perform such services in connection with the office as the secretary or the assistant may require. This section does not increase the complement of the secretary of state.

Sec. 4. Minnesota Statutes 2024, section 5.08, is amended to read:

5.08 LEGISLATIVE MANUAL.

Subdivision 1. **Preparation.** The secretary of state shall prepare, compile, edit, and distribute for use at each regular legislative session, a convenient manual, properly indexed, and containing: The federal and state constitutions; the acts of Congress relating to the organization of the territory and state; the rules of order and joint rules of the two houses, and lists of their members, committees and employees; the names of all state officials, whether elected or appointed, and of all persons holding office from this state under the national government; the ~~places~~ municipalities where the said several officials reside, and the annual compensation of each; and statistical and other information of the kind heretofore published in the legislative manuals.

Subd. 2. **Distribution.** ~~10,000~~ 5,000 copies of the legislative manual shall be printed and distributed as follows:

(1) up to ~~20~~ 5 copies shall be available to each member of the legislature on request;

(2) ~~50~~ 12 copies to the State Historical Society;

(3) ~~25~~ 2 copies to the state university;

(4) ~~60~~ 30 copies to the state library;

(5) ~~two copies~~ one copy each to the Library of Congress, the Minnesota veterans homes, the universities, the high schools, academies, seminaries, and colleges of the state, and the public libraries of the state;

(6) one copy each to other state institutions, the elective state officials, the appointed heads of departments, the officers and employees of the legislature, the justices of the supreme court, the judges of the court of appeals and the district court, the senators and representatives in Congress from this state, and the county auditors, recorders, and attorneys; and

(7) ~~one copy to each school, to be distributed through the superintendent of each school district; and~~

~~(8)~~ the remainder may be disposed of as the secretary of state deems best.

Sec. 5. Minnesota Statutes 2024, section 5.23, subdivision 1, is amended to read:

Subdivision 1. **Failure to pay filing fee.** (a) If a person files an instrument authorized to be filed with the secretary of state with a payment order or item that is rejected or dishonored, the secretary of state ~~is~~ may take the actions authorized under this subdivision.

(b) The secretary of state is authorized to refuse the filing of further instruments submitted by that person or on behalf of the business entity or notary on whose behalf the prior instrument was filed or relating to the same assumed name or trademark filing.

(c) If a person makes a filing related to a business entity with a payment order or item that is rejected or dishonored, the secretary of state is authorized to terminate the business entity and change the business entity's filing status to inactive.

(d) The secretary may ~~also~~ pursue collection of the rejected or dishonored payment order or item and recover the face amount of the payment order or item, any service fee, and any additional collection costs incurred to collect the amount. If the payment order or item is honored, or the delinquent amount is paid, the secretary of state must resume filing instruments submitted by that person or on behalf of that business entity or notary or relating to the same assumed name or trademark filing as of the date the payment order or item is honored and an instrument is presented for filing.

(e) The secretary may impose restrictions on the manner of payment that will be accepted for any future filings.

(f) This subdivision does not apply to financing statements filed under chapter 336 or to an effective financing statement or lien notice filed under chapter 336A.

Sec. 6. **[10.52] SNOW PROFESSIONALS APPRECIATION MONTH.**

The month of January of each year is designated as Snow Professionals Appreciation Month in recognition of the state's desire to honor, recognize, and celebrate the contributions of snow professionals. Minnesota has thousands of snow professionals who work tirelessly in winter months to clear snow; keep streets, sidewalks, and recreational paths safe; plow thousands of miles of roads; and manage ice with salt and sand application. Snow professionals monitor winter weather and track storms to dispatch appropriate snow removal crews and equipment. Professional snow services range from small residential shoveling services to large commercial plowing and deicing for businesses. Snow removal services represent a significant part of Minnesota's winter economy. The state declares that in order to educate the public, the governor may promote and encourage the observance of Snow Professionals Appreciation Month.

Sec. 7. **[10.5801] HMONG AMERICAN HERITAGE WEEK.**

(a) May 14 to May 23 each year is an official week of observance to commemorate the state's valued Hmong American heritage. During the week of observance, all residents of the state are urged to:

(1) recognize and honor the history, culture, traditions, and heritage of the Hmong people; and

(2) acknowledge the contributions of Hmong people to Minnesota.

(b) Hmong American Heritage Week honors:

(1) the history, heritage, and resilience of the Hmong people, including their longstanding cultural traditions, their service and sacrifice alongside the United States during the Secret War in Laos, and their journey as refugees to the United States and Minnesota; and

(2) the significant contributions of Hmong Minnesotans in public service, entrepreneurship, agriculture, education, the arts, and community life and in enriching the cultural, civic, and economic fabric of the state.

(c) The governor is encouraged to issue a proclamation recognizing Hmong American Heritage Week and encouraging Minnesotans to observe Hmong American Heritage Week through programs, ceremonies, educational activities, and community events honoring the history, culture, traditions, and heritage of the Hmong people.

(d) Schools, libraries, historical societies, cultural institutions, nonprofit organizations, community groups, local governments, and residents are encouraged to organize and lead programs, ceremonies, educational initiatives, and community events that highlight the history, culture, traditions, resilience, and contributions of the Hmong people.

Sec. 8. Minnesota Statutes 2024, section 15.72, is amended by adding a subdivision to read:

Subd. 1a. **Payment information requests.** (a) Upon written request from a contractor or subcontractor of any tier that can provide documentation of participating in the public improvement project, a public contracting agency must provide information regarding any progress payment, retainage payment, final payment, or other payment made by the contracting agency.

(b) The information provided under paragraph (a) must include:

(1) the amount of the payment;

(2) the date the payment was made or approved; and

(3) a copy of the payment application submitted by the contractor.

For highway construction contracts, a copy of the estimate or voucher generated by the public contracting agency meets this requirement.

(c) The public contracting agency must provide the requested information within seven calendar days of receipt of the request.

(d) The public contracting agency must make available to subcontractors the contact information for the public contracting agency for payment information under this section. If the public contracting agency has a website, the agency must post the contact information on the agency's public website, for solicitations or bids or on another apparent location on the agency's website. If a public contracting agency has an automated Internet-based system to provide this information, the agency may request a requestor to use that system.

(e) No cost or fees may be charged to the contractor or subcontractor providing information required under this section.

Sec. 9. Minnesota Statutes 2025 Supplement, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations and determination.** (a) By September 1 in each even-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for justices of the supreme court, and judges of the court of appeals and district court. The recommended salaries take effect on July 1 of the next year and July 1 of the subsequent even-numbered year, unless the legislature by law provides otherwise. The salary recommendations take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

(b) By ~~April~~ May 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount sufficient to pay the salaries prescribed by the council constitutes a prescription by law as provided in the Minnesota Constitution, article V, sections 4 and 5.

(c) By April 1 in each odd-numbered year, the Compensation Council must prescribe daily compensation for voting members of the Direct Care and Treatment executive board. The recommended daily compensation takes effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise.

Sec. 10. Minnesota Statutes 2024, section 16B.32, subdivision 1, is amended to read:

Subdivision 1. **Alternative energy sources.** (a) If the incorporation of cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve those standards.

(b) The commissioners of administration and commerce shall review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and shall make recommendations to the legislature as necessary to ensure that those performance standards are met.

(c) For ~~the~~ purposes of this section:

(1) "benchmark" has the meaning given in section 216C.331, subdivision 1, paragraph (c);

(2) "energy" has the meaning given in section 216C.331, subdivision 1, paragraph (h);

(3) "energy conservation" has the meaning given in section 216B.2402, subdivision 5, and for energy sources identified in section 216C.331, subdivision 1, paragraph (h);

(4) "energy conservation improvement" has the meaning given in section 216B.2402, subdivision 6;

~~(1)~~ (5) "energy efficiency" has the meaning given for energy in section 216B.2402, subdivision 7;

~~(2)~~ (6) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; ~~and~~

~~(3)~~ (7) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e)~~.~~;

(8) "water conservation" means an action that results in the net reduction of water consumption;

(9) "water conservation improvement" means a project or program that results in the efficient use and conservation of water; and

(10) "water efficiency" means measures or programs designed to use less water to accomplish the same outcome, including reducing input or wastewater.

Sec. 11. Minnesota Statutes 2024, section 16B.32, subdivision 2, is amended to read:

Subd. 2. **Energy ~~conservation goals~~ shared savings program.** The commissioner of administration in consultation with the commissioner of commerce, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures on state-owned and wholly state-leased buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility

or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could exceed existing energy code by at least 30 percent. ~~All agencies must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.~~

Sec. 12. Minnesota Statutes 2024, section 16B.32, is amended by adding a subdivision to read:

Subd. 4. **Energy and water data collection.** An agency with the custodial control for a facility must report the material energy and water consumption and cost data for the facility to the commissioner on a basis determined by the commissioner.

Sec. 13. Minnesota Statutes 2024, section 16B.32, is amended by adding a subdivision to read:

Subd. 5. **Energy and water goals; conservation improvement plans.** An agency must maintain energy and water benchmarks and goals, developed in partnership with the commissioner, for buildings under the agency's custodial control. Each state agency must maintain a plan to implement energy and water conservation improvements, the cost of which can be recuperated within 15 years from the energy savings achieved by the improvements, for each facility for which the agency has custodial control.

Sec. 14. Minnesota Statutes 2024, section 16B.372, subdivision 1, is amended to read:

Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is established to assist all state agencies in making measurable progress toward improving the sustainability of government operations by reducing the impact on the environment, controlling unnecessary waste of natural resources and public funds, and spurring innovation. The office shall create new tools and share best practices, assist state agencies to plan for and implement improvements, and monitor progress toward achieving intended outcomes. Specific duties include but are not limited to:

(1) managing a sustainability metrics and reporting system, including setting enterprise-wide goals, and publishing a public dashboard that allows Minnesotans to track progress and that is updated annually;

(2) assisting agencies in developing and executing sustainability plans; and

(3) implementing the state building energy conservation improvement revolving loan in ~~Minnesota Statutes,~~ sections 16B.86 and 16B.87.

Sec. 15. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures ~~for particular~~

~~grant programs~~. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

Sec. 16. Minnesota Statutes 2024, section 16B.97, subdivision 5, is amended to read:

Subd. 5. **Data classification.** Data maintained by the commissioner that identify a person providing comments to the commissioner under subdivision 4, paragraph (a), clauses (6) and (7), are private and nonpublic data ~~but may be shared with the executive agency that is the subject of the comments~~.

Sec. 17. Minnesota Statutes 2024, section 16B.98, subdivision 11, is amended to read:

Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a), clause ~~(2)~~ (3), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system.

Sec. 18. Minnesota Statutes 2024, section 16B.991, subdivision 1, is amended to read:

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement. "Recipient" includes individuals, entities, and key personnel of entities, including board members, officers, executives, employees, or agents with authority over or access to grant funds, and any individual in a position of fiduciary responsibility related to the grant.

Sec. 19. **[43A.205] TRAINING EMPLOYEES ON PREVENTING, RECOGNIZING, AND REACTING TO FRAUD.**

The commissioner of management and budget must provide annual training to state employees on preventing, recognizing, and reacting to suspected fraud or misuse of state funds. The training must highlight the legal requirements of the employee to report fraud and must require each employee to sign an acknowledgment that the employee has completed the annual training, and that the employee is aware of the consequences for failing to report fraud and to make a payment on a claim or demand in violation of section 609.455.

Sec. 20. Minnesota Statutes 2024, section 43A.231, subdivision 5, is amended to read:

Subd. 5. **Report; savings determination; process for selecting successor pharmacy benefit manager.** (a) The commissioner of management and budget, with the assistance of an actuarial consultant, shall compare the following: (1) actual, electronically adjudicated prescription drug costs under the first two years of the contract that begins on January 1, 2023, with a pharmacy benefit manager that was selected by the reverse auction; and (2) a projection of what prescription drug costs would have been for those same two years under the pharmacy benefit manager contract in effect from 2018 to 2022, with appropriate adjustment for any adopted formulary or beneficiary utilization changes. The projection must use industry-recognized data sources. The commissioner of management and budget shall report the results of the comparison to the legislative auditor and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy by March 1, 2025.

(b) The commissioner of management and budget must require the actuarial consultant to take appropriate measures to ensure that the consultant's work is not compromised by a conflict of interest.

(c) By April 1, 2025, the legislative auditor shall provide a 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 state government finance and policy. The legislative auditor's report must make a determination as to whether the commissioner's report accurately performs the comparison required under paragraph (a).

(d) The technology platform vendor shall provide to the commissioner of management and budget and to the legislative auditor the electronically adjudicated prescription drug data and any other support or assistance required by the commissioner of management and budget to prepare a report and for the legislative auditor to validate the accuracy of the commissioner's results of the comparison, by deadlines established by the commissioner of management and budget and the legislative auditor. Individual-identifying data received from the technology platform vendor is private data on individuals, as defined by section 13.02, subdivision 12.

(e) If the commissioner of management and budget determines that savings on prescription drug costs were not achieved, based on the comparison required under paragraph (a), with appropriate adjustment for any adopted formulary or beneficiary utilization changes, the commissioner may forego the use of a reverse auction for procurement of a successor pharmacy benefit manager contract. If the commissioner of management and budget determines that savings have been achieved, the commissioner must select the successor pharmacy benefit manager contract using the reverse auction process described in this section. If the commissioner's comparison in paragraph (a) finds that savings are not achieved, the commissioner's report under paragraph (a) must include the commissioner's findings that support a determination that savings were not achieved, analysis of the factors that caused a failure to achieve savings, and recommendations for how savings could be achieved in the next contract with a pharmacy benefit manager. If the commissioner's comparison in paragraph (a) is inconclusive, the commissioner may forego the use of a reverse auction for procurement of a successor pharmacy benefit manager contract.

Sec. 21. Minnesota Statutes 2024, section 129D.13, subdivision 1, is amended to read:

Subdivision 1. **Distribution.** The commissioner shall distribute the money provided by sections 129D.11 to 129D.13. Annually the commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The commissioner shall allocate money appropriated for the purposes of sections 129D.11 to 129D.13 in such a manner that each eligible public station receives a block grant. In addition, the commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota-based contributions received by that station in the previous fiscal year. Grants made pursuant to this subdivision may only be given to those federally licensed stations that ~~are~~ were certified as eligible for community service grants through the Corporation for Public Broadcasting in 2024. Grant funds not expended by a station during the first year of the biennium do not cancel and may be carried over into the second fiscal year.

Sec. 22. Minnesota Statutes 2024, section 138.669, is amended to read:

138.669 CONTRACTS FOR HISTORIC SITE MANAGEMENT.

The Minnesota Historical Society may contract ~~with a county, municipality, or a county or local historical society~~ for the management and operation of sites in the state historic site network. Notwithstanding section 138.668, the contract may provide for the retention of admission fees received by the management unit and for grants-in-aid to the management unit for use in the site's operation and maintenance.

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

Sec. 23. Minnesota Statutes 2024, section 268.058, subdivision 1, is amended to read:

Subdivision 1. **Lien.** (a) Any amount due under this chapter or section 116L.20, from an applicant or an employer, becomes a lien upon all the property, within this state, both real and personal, of the person liable, from the date of assessment. The term "date of assessment" means the date the obligation was due.

(b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed with the county recorder of the county where the property is situated, or in the case of personal property belonging to a nonresident person in the Office of the Secretary of State. When the notice of lien is filed with the county recorder, the fee for filing and indexing is as provided in sections 272.483 and 272.484.

(c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner, may be filed with the county recorder or the secretary of state by mail~~,~~ or personal delivery~~, or by electronic transmission into the computerized filing system of the secretary of state. The secretary of state must, on any notice filed with that office, transmit the notice electronically to the appropriate county recorder. The filing officer, whether the county recorder or the secretary of state, must endorse and index a printout of the notice as if the notice had been mailed or delivered~~.

(d) County recorders and the secretary of state must enter information on lien notices, renewals, and releases into the ~~central database of the secretary of state~~ respective databases established for lien notices, renewals, and releases. ~~For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered into the central database before the close of the working day following the day of the original data entry by the commissioner.~~

(e) The lien imposed on personal property, even though properly filed, is not enforceable against a purchaser of tangible personal property purchased at retail or personal property listed as exempt in sections 550.37, 550.38, and 550.39.

(f) A notice of lien filed has priority over any security interest arising under chapter 336, article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of lien is filed; and

(2) the property comes into existence after the 45th calendar day following the day the notice of lien is filed, or after the secured party has actual notice or knowledge of the lien filing, whichever is earlier.

(g) The lien is enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed before expiration for an additional ten years.

(h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure under chapter 550.

(i) The lien may be imposed upon property defined as homestead property in chapter 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead property.

(j) The commissioner may sell and assign to a third party the commissioner's right of redemption in specific real property for liens filed under this subdivision. The assignee is limited to the same rights of redemption as the commissioner, except that in a bankruptcy proceeding, the assignee does

not obtain the commissioner's priority. Any proceeds from the sale of the right of redemption are credited to the contingent account.

Sec. 24. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the section headnote of Minnesota Statutes 2024, section 16B.32, to "ENERGY AND WATER USE."

ARTICLE 2

BOARD OF BARBER EXAMINERS

Section 1. Minnesota Statutes 2024, section 154.001, subdivision 2, is amended to read:

Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is established to consist of four barber members and one public member, as defined in section 214.02, appointed by the governor.

(b) The barber members shall be persons who have practiced as registered barbers in this state for at least five years immediately prior to their appointment; shall be graduates from the 12th grade of a high school or have equivalent education, and shall have knowledge of the matters to be taught in registered barber schools, as set forth in section 154.07. ~~One of the barber members shall be a member of, or recommended by, a union of journeymen barbers that has existed at least two years, and one barber member shall be a member of, or recommended by, a professional organization of barbers.~~

Sec. 2. Minnesota Statutes 2024, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) examination and certificate, registered barber, $85;

(2) retake of written examination, $10;

(3) examination and certificate, instructor, $180;

(4) certificate, instructor, $65;

(5) temporary teacher permit, $80;

(6) temporary registered barber, military, $85;

(7) temporary barber instructor, military, $180;

(8) renewal of registration, registered barber, $80;

(9) renewal of registration, instructor, $80;

(10) renewal of temporary teacher permit, $65;

(11) student permit, $45;

(12) renewal of student permit, $25;

(13) initial shop registration, $85;

(14) initial school registration, $1,030;

(15) renewal shop registration, $85;

(16) renewal school registration, $280;

(17) restoration of registered barber registration, $95;

(18) restoration of shop registration, $105;

(19) change of ownership or location, $55;

(20) duplicate registration, $40;

(21) home study course, $75;

(22) letter of registration verification, $25; and

(23) reinspection, $100.

(c) If the board uses a board-approved examination provider for any portion of the comprehensive registered barber examination and the provider charges a fee, an examinee must pay the fee directly to the provider. A fee charged by a provider under this paragraph is separate from and not included in the fees that an examinee pays to the board.

Sec. 3. Minnesota Statutes 2024, section 154.01, is amended to read:

154.01 REGISTRATION MANDATORY.

(a) The registration of the practice of barbering serves the public health and safety of the people of the state of Minnesota by ensuring that individuals seeking to practice the profession of barbering are appropriately trained in the use of the chemicals, tools, and implements of barbering and demonstrate the skills necessary to conduct barber services in a safe, sanitary, and appropriate environment required for infection control.

(b) No person shall practice, offer to practice, or attempt to practice barbering without a current certificate of registration as a registered barber, issued ~~pursuant to provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(c) A registered barber must only provide barbering services in a registered barber shop or barber school, unless prior authorization is given by the board.

(d) No person shall operate a barber shop unless it is at all times under the direct supervision and management of a registered barber and the owner or operator of the barber shop possesses a current shop registration card, issued to the barber shop establishment address~~, under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(e) No person shall serve, offer to serve, or attempt to serve as an instructor of barbering without a current certificate of registration as a registered instructor of barbering or a temporary permit as an instructor of barbering, as provided for the board by rule, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners. Barber instruction must be provided in registered barber schools only.

(f) No person shall operate a barber school unless the owner or operator possesses a current certificate of registration as a barber school, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

Sec. 4. Minnesota Statutes 2024, section 154.02, subdivision 1, is amended to read:

Subdivision 1. **What constitutes barbering.** Any one or any combination of the following practices when done upon the head, face, and neck for cosmetic purposes and not for the treatment of disease or physical or mental ailments and when done for payment directly or indirectly or without payment for the public generally constitutes the practice of barbering within the meaning of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter: to shave the face or neck using a straight razor or other tool, trim the beard, clean, condition, cut, color, shape, or straighten the hair of any person of either sex for compensation or other reward received by the person performing such service or any other person; to give facial and scalp massage with oils, creams, lotions, or other preparations either by hand or mechanical appliances; to singe, shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils, clays, or lotions to hair, scalp, face, or neck. The removal of hair through the process of waxing is not barbering.

Sec. 5. Minnesota Statutes 2024, section 154.02, subdivision 4, is amended to read:

Subd. 4. **Certificate of registration.** A "certificate of registration" means the certificate issued to an individual, a barber shop, or a barber school that is in compliance with ~~the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter.

Sec. 6. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 7. **Straight razor.** A straight razor is a razor with a rigid steel cutting blade or a replaceable blade that is hinged to a case that forms a handle when the razor is open for use.

Sec. 7. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 8. **Waxing.** Waxing is the process of removing hair from a part of the body by applying wax and peeling off the wax.

Sec. 8. Minnesota Statutes 2024, section 154.05, is amended to read:

154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED BARBER.

~~(a)~~ A person is qualified to receive a certificate of registration as a registered barber if the person:

(1) ~~has successfully completed ten grades of education~~ is at least 17 years of age;

(2) has successfully completed 1,500 hours of study of which 281 hours are classroom hours and 1,219 hours are practical hours in a board-approved barber school; and

(3) has passed ~~an~~ a comprehensive examination ~~conducted by the board~~ in accordance with section 154.09 to determine the person's fitness to practice barbering.

~~(b) A first-time applicant for a certificate of registration to practice as a registered barber who fails to pass the comprehensive examination conducted by the board and who fails to pass a onetime retake of the written examination, shall complete an additional 500 hours of barber education before being eligible to retake the comprehensive examination as many times as necessary to pass.~~

Sec. 9. Minnesota Statutes 2024, section 154.07, subdivision 1, is amended to read:

Subdivision 1. **Admission requirements; course of instruction.** No barber school shall be approved by the board unless ~~it~~ the barber school requires, ~~as a prerequisite to admission, ten grades of an approved school or its equivalent, as determined by educational transcript, high school diploma, high school equivalency certificate, or an examination conducted by the commissioner of education, which shall issue a certificate that the student has passed the required examination, and unless it requires,~~ as a prerequisite to graduation, a course of instruction of at least 1,500 hours of not more than ten hours of schooling in any one working day. The course of instruction must include the following subjects: scientific fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation; disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening of hair.

Sec. 10. Minnesota Statutes 2024, section 154.07, is amended by adding a subdivision to read:

Subd. 7. **Application review process.** (a) Upon receipt of an application to establish a barber school, the board must consider the application during a meeting that is open to the public. At the meeting, the applicant must demonstrate that:

(1) the contents of the application are true, as required by chapter 154 and the rules of the board; and

(2) the applicant has sufficient financial resources to fund the barber school.

(b) The board may deny an application if the board determines that the applicant's financial resources would be insufficient to:

(1) maintain and operate a barber school; and

(2) ensure that the barber school would be open long enough for all registered students to graduate from the barber school.

Sec. 11. Minnesota Statutes 2024, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Each applicant for an examination shall:

(1) make an application to the Board of Barber Examiners or a board-approved examination provider on blank forms prepared and furnished by ~~it, the application to~~ the board or the board-approved provider. The application must contain proof under the applicant's oath of the particular qualifications and identity of the applicant;

(2) provide all documentation required in support of the application;

(3) pay to the board the required fee; ~~and~~

(4) upon acceptance of the notarized application, present a corresponding government-issued photo identification when the applicant appears for the examination~~.~~; and

(5) file an application with the board no later than the twentieth day of the month preceding the month when the practical portion of the exam is administered.

Sec. 12. Minnesota Statutes 2024, section 154.09, is amended to read:

154.09 EXAMINATIONS, CONDUCT AND SCOPE.

Subdivision 1. **Examination dates.** The board or a board-approved examination provider shall conduct practical examinations of applicants for certificates of registration to practice as registered barbers not more than ~~six~~ eight times each year, at such time and place as the board may determine. ~~Additional~~ Written examinations may be scheduled ~~by the board~~ and conducted by board staff or a board-approved provider as designated by the board.

Subd. 2. **Documentation required.** The ~~proprietor~~ owner or operator of a barber school must file an affidavit with the board of hours completed by students applying to take the ~~registered barber~~ comprehensive examination. Students must complete the full 1,500-hour curriculum in a barber school approved by the board ~~within the past four years~~ to be eligible for the examination. ~~Barber students who have completed barber school more than four years prior to application, that have not obtained a barber registration, license, or certificate in any jurisdiction must complete an additional 500 hours of barber school education to be eligible for the registered barber examination.~~

Subd. 3. **Examinations for registration restoration.** ~~Registered barbers that fail~~ An individual who fails to renew ~~their~~ the individual's barber registration for four or more years ~~are~~ is required to purchase and complete the "Home Study Course for Barbers" program that was prepared and

approved by the board before the individual is eligible to apply to take the ~~registered barber~~ comprehensive examination to reinstate the individual's registration.

Subd. 4. **Examinations for individuals seeking reciprocity.** An individual who must pass the comprehensive examination under section 154.11 must purchase and complete the "Home Study Course for Barbers" program that was prepared and approved by the board before the individual is eligible to take the comprehensive examination.

Subd. 5. **Contents of examination.** The comprehensive examination ~~of applicants for certificates of registration as barbers shall~~ must include:

(1) a practical ~~demonstration~~ portion that consists of a haircut and three of the following practical services that the board shall determine: a shave, a beard trim, a shampoo, a perm wrap, a facial, or a color application; and

(2) a written ~~test. The examination must cover~~ portion that covers the subjects taught in barber schools ~~registered with the board, including~~ as required by this chapter, applicable state ~~statute~~ statutes, and ~~rule~~ rules.

Subd. 6. **Examination grading.** The comprehensive examination must be graded as follows:

(1) the grading for the practical portion of the examination must be on a scale of one to 100, with 100 representing a perfect score. A score of 75 must be the minimum passing score for the haircut portion and 75 must be the minimum passing score for the average of the remaining parts of the practical examination; and

(2) the minimum passing score for the written portion of the examination is 75 percent.

Subd. 7. **Failure of examination.** (a) An individual who does not pass one portion of the comprehensive examination within a year of passing the other portion of the comprehensive examination must retake the entire comprehensive examination.

(b) An individual who has failed a portion of the comprehensive examination may retake that portion of the examination within a year of passing the other portion after meeting the requirements of this chapter, paying any required fees, and making an application to the board as required by section 154.08.

Sec. 13. Minnesota Statutes 2024, section 154.11, subdivision 1, is amended to read:

Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of the requirements for barber registration in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter and either has a currently active license, certificate of registration, or equivalent as a practicing barber or instructor of barbering as verified from another state or, if presenting foreign country credentials as verified by a board-approved professional credential evaluation provider, which in the discretion of the board has substantially the same requirements for registering barbers and instructors of barbering as required ~~by sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ in this chapter shall, upon payment of the required fee, be issued a certificate of registration without examination.

(b) Individuals without a current documented license, certificate of registration, or equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber education as verified by the barber school attended in the other state or if presenting foreign country education as verified by a board-approved professional credential evaluation provider, completed within the previous four years, which, in the discretion of the board, has substantially the same requirements as required in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter will be eligible for examination.

(c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be subject to all the requirements of section 154.05.

Sec. 14. **REPEALER.**

Minnesota Rules, parts 2100.2500; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, and 5; 2100.5300; and 2100.6000, are repealed.

ARTICLE 3

BOARD OF COSMETOLOGIST EXAMINERS

Section 1. Minnesota Statutes 2024, section 155A.20, is amended to read:

155A.20 BOARD OF COSMETOLOGIST EXAMINERS CREATED; TERMS.

(a) A Board of Cosmetologist Examiners is established to consist of seven members, appointed by the governor as follows:

(1) two cosmetologists, one of whom is recommended by a professional association of cosmetologists, nail technicians, and estheticians;

(2) two school instructors, one of whom is teaching at a public cosmetology school in the state and one of whom is teaching at a private cosmetology school in the state;

(3) one advanced practice esthetician;

(4) one nail technician; and

(5) one public member, as defined in section 214.02.

(b) All cosmetologist, advanced practice esthetician, and nail technician members must be currently licensed in the field of cosmetology, nail technology, or ~~esthetology,~~ advanced practice esthiology in Minnesota~~,~~; have practiced in the licensed occupation for at least five years immediately prior to their appointment~~, be graduates from grade 12 of high school or have equivalent education,~~; and have knowledge of sections 155A.21 to 155A.36 and Minnesota Rules, chapters 2105 and 2110.

(c) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements ~~shall~~ must be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations ~~shall~~ must be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal ~~shall~~ must serve during the unexpired term of their predecessors.

Sec. 2. Minnesota Statutes 2024, section 155A.23, subdivision 4, is amended to read:

Subd. 4. **Cosmetologist.** A "cosmetologist" is any person who, for compensation, performs ~~the~~ personal services~~, as defined in subdivision 3~~ for the cosmetic care of the hair, nails, and stratum corneum of the epidermal layer of the skin surface.

Sec. 3. Minnesota Statutes 2024, section 155A.23, subdivision 5, is amended to read:

Subd. 5. **Esthetician.** An "esthetician" is any person who, for compensation, performs personal services for the cosmetic care of the stratum corneum of the epidermal layer of the skin surface only.

Sec. 4. Minnesota Statutes 2024, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, hair technician, nail technician ~~practitioner~~, or eyelash technician, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 5. Minnesota Statutes 2024, section 155A.23, subdivision 9, is amended to read:

Subd. 9. **Salon.** A "salon" is an indoor area, room, or rooms employed to offer personal services, as defined in subdivision 3. ~~"Salon"~~ Salon does not include the home of a customer but the board may adopt health and infection control rules governing practice in the homes of customers.

Sec. 6. Minnesota Statutes 2024, section 155A.23, subdivision 10, is amended to read:

Subd. 10. **School.** A "school" is a place where ~~any person operates and maintains a class to teach~~ cosmetology instruction or training is offered to the public for compensation. ~~"School"~~ School does not include a place ~~where the only teaching of cosmetology is done by a licensed cosmetologist as part of a community education program of less than ten hours duration, provided that the program does not permit practice on persons other than students in the program, and provided that the program is intended solely for the self-improvement of the students~~ that only offers continuing education according to this chapter, additional instruction or training to licensees on services within the licensee's scope of practice, or community education programs for personal enrichment and not as preparation for professional practice.

Sec. 7. Minnesota Statutes 2024, section 155A.23, is amended by adding a subdivision to read:

Subd. 10a. **School administrator.** "School administrator" means the proprietor, if the applicant is a proprietorship; the managing partner, if the applicant is a partnership; the authorized officers, if the applicant is a corporation, association, company, firm, society, or trust; or the dean, principal, or other authorized signatory, if the applicant is a school in the Minnesota State Colleges and Universities system or a secondary school.

Sec. 8. Minnesota Statutes 2024, section 155A.23, subdivision 18, is amended to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed as an operator or manager in the practice of cosmetology, esthiology, advanced practice esthiology, hair technology services, nail technology services, or eyelash technology services.

Sec. 9. Minnesota Statutes 2024, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) $195 initial practitioner, manager, or instructor license, divided as follows:

(i) $155 for each initial license; and

(ii) $40 for each initial license application fee;

(2) $115 renewal of practitioner license, divided as follows:

(i) $100 for each renewal license; and

(ii) $15 for each renewal application fee;

(3) $145 renewal of manager or instructor license, divided as follows:

(i) $130 for each renewal license; and

(ii) $15 for each renewal application fee;

(4) $350 initial salon license, divided as follows:

(i) $250 for each initial license; and

(ii) $100 for each initial license application fee;

(5) $225 renewal of salon license, divided as follows:

(i) $175 for each renewal; and

(ii) $50 for each renewal application fee;

(6) $4,000 initial school license, divided as follows:

(i) $3,000 for each initial license; and

(ii) $1,000 for each initial license application fee; and

(7) $2,500 renewal of school license, divided as follows:

(i) $2,000 for each renewal; and

(ii) $500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, $150;

(2) manager and owner with expired practitioner found on inspection, $150 each;

(3) expired practitioner or instructor found on inspection, $200;

(4) expired salon found on inspection, $500;

(5) expired school found on inspection, $1,000;

(6) failure to display current license, $100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, $500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, $500;

~~(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, $500;~~

~~(10) owner and manager allowing an operator to work as an independent contractor, $200;~~

~~(11) operator working as an independent contractor, $100;~~

~~(12)~~ (9) refusal or failure to cooperate with an inspection, $500;

~~(13)~~ (10) practitioner late renewal fee, $45; and

~~(14)~~ (11) salon or school late renewal fee, $50.

(d) Administrative fees are as follows:

(1) homebound service permit, $50 three-year fee;

(2) name change, $20;

(3) certification of licensure, $30 each;

(4) duplicate license, $20;

(5) special event permit, $75 per year;

(6) $100 for each temporary military license for a cosmetologist, nail technician, esthetician, ~~or~~ advanced practice esthetician ~~one-year fee~~, or eyelash technician;

(7) expedited initial individual license, $150;

(8) expedited initial salon license, $300;

(9) instructor continuing education provider approval, $150 each year; and

(10) practitioner continuing education provider approval, $150 each year.

Sec. 10. Minnesota Statutes 2024, section 155A.25, subdivision 5, is amended to read:

Subd. 5. **Board must approve or deny application; timeline.** Within 15 working days of receiving a complete application and the required fees, if any, to apply for or renew an individual or salon license that is not an expedited license or a military license, the board must (1) issue the license, (2) deny the license and notify the applicant of the denial, or (3) if the conditions in subdivision 6 are met, notify the applicant that the board must conduct additional review.

Sec. 11. Minnesota Statutes 2024, section 155A.25, subdivision 7, is amended to read:

Subd. 7. **Temporary military license or expedited license.** Within five business days of receiving a completed application and the required fees, if any, for an individual or salon license that meets requirements for an expedited license or a temporary military license, the board must: (1) issue the license; (2) deny the license and notify the applicant of the denial; or (3) notify the applicant that the board must conduct additional review if the application meets the conditions in subdivision 8.

Sec. 12. Minnesota Statutes 2024, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board ~~shall~~ must establish temporary licenses for a cosmetologist, a hair technician, a nail technician, an eyelash technician, an esthetician, and an advanced practice esthetician in accordance with section 197.4552, subdivision 2.

Sec. 13. Minnesota Statutes 2024, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, a hair technician, an advanced practice esthetician, a nail technician, an esthetician, or an eyelash technician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, ~~and~~ has passed a board-approved theory and practice-based examination, and has passed the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses ~~shall~~ must not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least three years and have passed a board-approved theory and practice-based examination~~,~~ and the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country ~~shall~~ must supply official English-language translations of all required documents from a board-approved source.

Sec. 14. Minnesota Statutes 2024, section 155A.271, subdivision 2, is amended to read:

Subd. 2. **Continuing education providers.** (a) Only a board-licensed school of cosmetology, a postsecondary institution as ~~defined~~ described in section 136A.103, subdivision 1, paragraph (a), or a board-recognized professional association organized under chapter 317A may be approved by the board to offer continuing education for credit under subdivision 1, paragraph (a). Continuing education under subdivision 1, paragraph (b), may be offered by a:

(1) board-licensed school of cosmetology;

(2) board-recognized professional association organized under chapter 317A; or

(3) board-licensed salon.

An approved school or professional association may offer web-based continuing education instruction to achieve maximum involvement of licensees. Continuing education providers are encouraged to offer classes available in foreign language formats.

(b) Board approval of any continuing education provider is valid for one calendar year and is contingent upon submission and preapproval of the lesson plan or plans with learning objectives for the class to be offered and the payment of the application fee in section 155A.25, subdivision 1a, paragraph (d), clause (10). The board ~~shall~~ must maintain a list of approved providers and courses on the board's website. The board may revoke authorization of a continuing education provider at any time for just cause and the board may demand return of documents required under subdivision 3.

Sec. 15. Minnesota Statutes 2024, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** The conditions and process by which a salon is licensed ~~shall~~ must be established by the board by rule. In addition to those requirements, ~~no~~ a license ~~shall~~ must not be issued unless the board first determines that the conditions in clauses (1) to (4) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of infection control, health, and safety;

(2) the ~~employment~~ appointment of a manager, as defined in section 155A.23, subdivision 8;

(3) if applicable, evidence of compliance with workers' compensation section 176.182; and

(4) evidence of continued professional liability insurance coverage of at least $25,000 for each claim and $50,000 total coverage for each policy year for each ~~operator~~ practitioner.

Sec. 16. Minnesota Statutes 2024, section 155A.30, subdivision 3, is amended to read:

Subd. 3. **Applications.** Application for a license ~~shall~~ must be prepared on forms furnished by the board and ~~shall~~ must contain the following and such other information as may be required:

(1) the name of the school, together with ownership and controlling officers, members, and managing employees;

(2) the specific fields of instruction which will be offered and reconciliation of the course content and length to meet the minimum standards, as prescribed in subdivision 2;

(3) the place or places where instruction will be given;

(4) a listing of the equipment available for instruction in each course offered;

(5) the maximum enrollment to be accommodated;

(6) a listing of instructors, all of whom ~~shall~~ must be licensed as provided in section 155A.27, subdivision 2, except that any school may use occasional instructors or lecturers who would add to the general or specialized knowledge of the students but who need not be licensed;

(7) a current balance sheet, income statement or documentation to show sufficient financial worth and responsibility to properly conduct a school and to assure financial resources ample to meet the school's financial obligations;

(8) other financial guarantees ~~which~~ that would assure protection of the public as determined by rule; and

(9) a copy of all written ~~material which~~ materials that the school uses ~~to solicit prospective students, including but not limited to a tuition and fee schedule, and all catalogues, brochures and other recruitment advertisements. Each school shall annually, on a date determined by the board, file with the board any new or amended materials which it has distributed during the past year~~ for prospective student enrollment, including the enrollment contract, the student handbook, and tuition and fee information.

Sec. 17. Minnesota Statutes 2024, section 155A.30, subdivision 4, is amended to read:

Subd. 4. **Verification of application.** Each application ~~shall~~ must be signed and certified to under oath by ~~the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust~~ a school administrator as defined in section 155A.23, subdivision 10a.

Sec. 18. Minnesota Statutes 2024, section 155A.30, subdivision 5, is amended to read:

Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the board first determines that the applicant has met the requirements in clauses (1) to (9):

(1) the applicant must have a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and to maintain proper use and support of the school;

(2) the applicant must have satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(3) the applicant must employ a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(4) the premises and conditions under which the students work and study must be sanitary, healthful, and safe according to modern standards;

(5) each occupational course or program of instruction or study must be of such quality and content as to provide education and training that will adequately prepare enrolled students for testing, licensing, and entry level positions;

(6) the school must have coverage by professional liability insurance of at least $25,000 per incident and an accumulation of $150,000 for each premium year;

(7) the applicant ~~shall~~ must provide evidence of the school's compliance with section 176.182;

(8) the applicant, except the state and its political subdivisions as described in section 13.02, subdivision 11, must file with the board a continuous corporate surety bond in the amount of no less than ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than $10,000, conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. New schools must base the bond amount on the anticipated gross income from student tuition, fees, and other required institutional charges for the third year of operation, but in no event less than $10,000. The applicant must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. The bond ~~shall~~ must run to the board 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 surety of the bond may cancel it upon giving 60 days' notice in writing to the board and ~~shall~~ must be relieved of liability for any breach of condition occurring after the effective date of cancellation; and

(9) the applicant must appoint a designated school manager.

Sec. 19. Minnesota Statutes 2024, section 155A.30, subdivision 6, is amended to read:

Subd. 6. **Fees; renewals.** (a) Applications for initial license under sections 155A.21 to 155A.36 ~~shall~~ must be accompanied by a nonrefundable application fee set forth in section 155A.25.

(b) License duration ~~shall~~ must be three years. Each renewal application ~~shall~~ must be accompanied by a nonrefundable renewal fee set forth in section 155A.25.

(c) Application for renewal of license ~~shall~~ must be made as provided in rules adopted by the board and on forms supplied by the board.

Sec. 20. Minnesota Statutes 2024, section 155A.30, subdivision 7, is amended to read:

Subd. 7. **Inspections.** All schools may be inspected as often as the board considers necessary to affirm compliance. The board ~~shall have~~ has the authority to assess the cost of the inspection to the school.

Sec. 21. Minnesota Statutes 2024, section 155A.30, subdivision 8, is amended to read:

Subd. 8. **List of licensed schools; availability.** The board ~~shall~~ must maintain and make available to the public a list of licensed schools.

Sec. 22. Minnesota Statutes 2024, section 155A.30, subdivision 9, is amended to read:

Subd. 9. ~~**Separation of** **School and** **professional departments**~~ **salon separation.** A school ~~shall~~ must display in the entrance reception room of ~~its~~ the school's student section a sign prominently and conspicuously indicating that all work therein is ~~done~~ performed exclusively by students. ~~Professional departments of a school shall be run~~ Any salon or business on the same premises as a school must be operated as an entirely separate and distinct ~~businesses~~ business and ~~shall~~ must have a separate ~~entrances.~~ entrance from the school. If a salon or business is located on the same premises as a school: (1) staff of the salon or business must not provide services or training in the space used by the school; and (2) staff and students of the school must not provide services or training in the space used by the salon or business.

Nothing contained in sections 155A.21 to 155A.36 ~~shall prevent~~ prevents a school from charging for student work done in the school to cover the cost of materials used and expenses incurred in and for the operation of the school. All of the student work ~~shall~~ must be prominently and conspicuously advertised and held forth as being student work and not otherwise.

Sec. 23. Minnesota Statutes 2024, section 155A.30, subdivision 11, is amended to read:

Subd. 11. **Instruction requirements.** (a) Instruction may be offered for no more than ten hours per day per student.

(b) Instruction must be given within a licensed school building except as provided in paragraphs (c) and (d). ~~Online instruction is permitted for board-approved theory-based classes.~~

(c) A school may offer online instruction for theory-based portions of training. A school must not give practice-based ~~classes must not be given~~ training online.

(d) A school may offer activities related to the training for industry educational purposes outside of a school building when accompanied by an instructor for a maximum of one percent of the total training hours for a course.

Sec. 24. Minnesota Statutes 2024, section 155A.30, subdivision 12, is amended to read:

Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying for licensure under this section ~~shall~~ must maintain recognition as an institution of postsecondary study by meeting the following conditions, in addition to Minnesota Rules, part 2110.0310:

(1) the school must admit as regular students only those individuals who have a high school diploma or a diploma based on passing commissioner of education-selected high school equivalency tests or their equivalent, or who are beyond the age of compulsory education as prescribed by section 120A.22; and

(2) the school must be licensed by name and authorized by the Office of Higher Education and the board to offer one or more training programs beyond the secondary level.

Sec. 25. Minnesota Statutes 2024, section 155A.31, is amended to read:

155A.31 INSPECTIONS.

The board is responsible for inspecting salons and schools licensed pursuant to sections 155A.21 to 155A.36 to assure compliance with the requirements of sections 155A.21 to 155A.36. The board ~~shall~~ must direct board resources first to the inspection of those licensees who fail to meet the requirements of law, have indicated that they present a greater risk to the public, or have otherwise, in the opinion of the board, demonstrated that they require a greater degree of regulatory attention.

Sec. 26. Minnesota Statutes 2024, section 155A.32, is amended to read:

155A.32 DISPLAY OF LICENSE.

Every holder of a license granted by the board ~~shall~~ must display ~~it~~ the license in a conspicuous place in the place of business.

Sec. 27. Minnesota Statutes 2024, section 155A.33, subdivision 1, is amended to read:

Subdivision 1. **Proceedings.** If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 28. Minnesota Statutes 2024, section 155A.33, subdivision 2, is amended to read:

Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the District Court of Ramsey County in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court ~~shall~~ must grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application for examination, license, registration, or renewal.

Sec. 29. Minnesota Statutes 2024, section 155A.33, subdivision 3, is amended to read:

Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if authorized by the board, may issue and have served upon an unlicensed or unregistered person, or a holder of a license or registration, an order requiring the person to cease and desist from an act or practice that constitutes

a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or complaint committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board ~~shall~~ must issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Sec. 30. Minnesota Statutes 2024, section 155A.33, subdivision 4, is amended to read:

Subd. 4. **Licensing and registration actions.** (a) With respect to a person who is a holder of or applicant for a license or registration under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or registration, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, related to the practice of a profession regulated by this chapter, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of the profession;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of a profession regulated by this chapter;

(4) employed fraud or deception in obtaining a license, registration, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a license, registration, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's license or registration;

(7) advertised by means of false or deceptive statements;

(8) performed licensed services while consuming or under the influence of an intoxicant or controlled substance;

(9) demonstrated unprofessional conduct or practice;

(10) permitted an unlicensed person under the person's supervision or control to offer or practice services regulated by this chapter for compensation;

(11) practices, offered to practice, or attempted to practice by misrepresentation;

(12) failed to display a license or permit as required by rules adopted by the board;

(13) violated the board's rules governing infection control;

(14) refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request; or

(15) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a condition of continued licensure or registration, termination of suspension, reinstatement of licensure or registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) completes to the board's satisfaction continuing education as the board requires.

~~(c) Service of an order under this subdivision is effective if the order is served in person, or is served by certified mail to the most recent address provided to the board by the licensee, registrant, applicant, or counsel of record. The order must state the reason for the entry of the order.~~

(c) The board or complaint committee, if authorized by the board, may issue an order under this subdivision. The order may include conditions under paragraph (b) and civil penalties and fees permitted under subdivision 6. The order may require a person to cease and desist from acting in violation of paragraph (a). The order must include:

(1) a summary of the facts that constitute each violation;

(2) the applicable law that has been violated;

(3) the licensing or registration action taken under paragraph (a); and

(4) a notice to the individual that unless the individual requests a hearing within 30 days of service of the order, the order becomes a final order of the board.

(d) If an order under this subdivision assesses civil penalties, the order must include a statement that, when the order becomes final, the board may file and enforce any unpaid amount of a penalty as a judgment in district court without further notice or additional proceedings.

(e) A person issued an order under this subdivision may request a hearing within 30 days of the date the order is served. If a person's written request for a hearing is not received within 30 days of the date of service of the order, the order becomes a final order and is not subject to review by any court or agency. If a person submits to the board a timely request for hearing, the order is stayed pending a final order. The request for a hearing under this paragraph must:

(1) be in writing;

(2) provide the reason for the person's request for a hearing; and

(3) be mailed or delivered to the board within 30 days of service of the order.

(f) An order under this subdivision must be personally served or sent by first-class or certified mail to the most recent address provided to the board by the licensee or applicant according to Minnesota Rules, part 1400.5550, subparts 2 and 3.

~~(d)~~ (g) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

(h) Nothing in this chapter prevents the board from resolving any violation through informal disposition under section 14.59.

Sec. 31. Minnesota Statutes 2024, section 155A.33, subdivision 5, is amended to read:

Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, registrant, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or registrant. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or registrant.

(b) An order under this subdivision may (1) prohibit the licensee or registrant from engaging in the practice of a profession regulated by the board in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision, the licensee or registrant may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at the hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to ~~the Administrative Procedure Act~~ chapter 14. Evidence presented to the board or the licensee or registrant may be in affidavit form only. The licensee, registrant, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board ~~shall~~ must issue its order and, if the order continues the suspension, ~~shall~~ must schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge ~~shall~~ must issue a report within 30 days after the closing of the contested case hearing record. The board ~~shall~~ must issue a final order within 30 days of receiving the report.

Sec. 32. Minnesota Statutes 2024, section 155A.33, subdivision 6, is amended to read:

Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of up to $2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the ~~Office~~ Court of Administrative Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expenses incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 33. Minnesota Statutes 2024, section 155A.33, is amended by adding a subdivision to read:

Subd. 8. **Corrective action.** (a) When the board or complaint committee, if authorized by the board, determines that a complaint alleging that an applicant or a licensee violated this chapter, rules adopted under this chapter, or an order issued by the board may be appropriately resolved through corrective action, the board or complaint committee may enter into an agreement for corrective action with an applicant or a licensee.

(b) An agreement for corrective action must:

(1) be in writing;

(2) describe the facts upon which the agreement is based;

(3) describe the corrective action agreed upon by the board or complaint committee and the applicant or licensee; and

(4) state that the complaint upon which the agreement was based must be dismissed by the board or complaint committee when the board or committee finds that the applicant or licensee has successfully performed the corrective action.

(c) The board or complaint committee may determine that the applicant or licensee has successfully performed the corrective action if the applicant or licensee submits a request for dismissal that documents the applicant's or licensee's successful performance of the corrective action.

(d) An agreement under this subdivision is not disciplinary action. An agreement under this section is public data under chapter 13.

(e) The board may assess a fee on an applicant or a licensee to reimburse the board for costs related to the corrective action. The board must include a fee under this paragraph in the corrective action agreement.

(f) If an applicant or a licensee fails to successfully perform the corrective action within the time specified in the agreement, the matter may be resolved through any enforcement action authorized under this section.

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "Board of Cosmetologist Examiners" to "Board of Cosmetology" wherever the term appears in Minnesota Statutes.

Sec. 35. **REPEALER.**

Laws 2017, First Special Session chapter 4, article 1, section 29, is repealed.

ARTICLE 4

LOCAL GOVERNMENT

Section 1. Minnesota Statutes 2024, section 118A.09, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** Qualifying governments may invest the amount described in subdivision 3:

(1) in index mutual funds based in the United States and indexed to a broad market United States equity index, on the condition that index mutual fund investments must be made directly with the main sales office of the fund; ~~or~~

(2) in shares of a company that:

(i) is registered with the United States Securities and Exchange Commission;

(ii) concentrates in investment grade fixed income securities;

(iii) holds, at the time of purchase, at least 80 percent of its investments in federally insured or guaranteed securities, including by government sponsored entities; and

(iv) has a mission, in part, to provide direct investment in local multifamily housing development; or

(3) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board.

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

Sec. 2. Minnesota Statutes 2024, section 118A.09, is amended by adding a subdivision to read:

Subd. 3a. **Housing and redevelopment authorities; investment authority.** A housing and redevelopment authority created in a county or statutory or home rule charter city that meets the criteria of subdivision 1, paragraph (a), clause (1) or (2), may invest its funds in investments that meet the criteria of subdivision 2, clause (2), subject to the limitations and requirements for qualifying governments under subdivisions 3 and 4.

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

Sec. 3. Minnesota Statutes 2024, section 118A.09, subdivision 4, is amended to read:

Subd. 4. **Approval.** Before investing pursuant to this section, the governing body of the qualifying government must adopt a resolution or investment policy that includes the following statements:

(1) the governing body understands that investments under subdivision 2 have a risk of loss;

(2) the governing body understands the type of funds that are being invested and the specific investment itself; and

(3) the governing body certifies that all funds designated for investment through the State Board of Investment meet the requirements of this section and the policies and procedures established by the State Board of Investment.

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

Sec. 4. **[358.155] TOWN CLERK NOTARIZATION.**

It is not a violation of chapters 357, 358, and 359 for a town clerk to notarize, attest, or authenticate a document pursuant to official duties.

Sec. 5. Minnesota Statutes 2024, section 365.05, is amended to read:

365.05 DEED OF TOWN LAND; FORMALITIES; INTEREST GIVEN.

A deed conveying real estate owned by a town must be signed by the chair of the town board in an official capacity and attested by the clerk. ~~The deed, witnessed and acknowledged, must give the grantee all of the town's interest in the real estate.~~

Sec. 6. Minnesota Statutes 2024, section 365.50, subdivision 1, is amended to read:

Subdivision 1. **When, where.** The first town meeting in a new town must be held within ~~20~~ 30 days after the ~~town is organized~~ certification of the election results of a ballot question approving organization of the town. The county board shall name the time and place of the meeting. The county auditor shall see that ten days' posted notice of the meeting is given in the town.

Sec. 7. Minnesota Statutes 2024, section 365.50, subdivision 2, is amended to read:

Subd. 2. **Meeting officers.** The voters present at the meeting shall choose one of their number as moderator, two others as judges of election, and one as clerk for the purpose of the meeting. Each of these meeting officers shall take and sign the oath required of a judge of a general election. The oath may be administered to the judges by the moderator and to the moderator by one of the judges. The meeting officers shall then run the meeting.

Sec. 8. Minnesota Statutes 2024, section 367.03, subdivision 2, is amended to read:

Subd. 2. **New towns.** When a new town is organized and ~~supervisors~~ township officers are elected at ~~a~~ the first town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. At that election, a clerk and a treasurer shall also be elected. The clerk shall serve until the next annual town election held in an even-numbered year, and the treasurer shall serve until the next annual town election held in an odd-numbered year. The number of years for which each is elected shall be indicated on the ballot.

Sec. 9. Minnesota Statutes 2024, section 367.12, is amended to read:

367.12 DEPUTY CLERK.

Each town clerk may appoint a deputy, for whose acts the clerk shall be responsible, and who, in the clerk's absence or disability, shall perform the clerk's duties. If a town clerk has not appointed a deputy, the town treasurer shall perform the duties of the clerk relating to receiving candidate filings when the clerk is absent. When the office of the clerk becomes vacant, a deputy appointed under this section may continue in office as acting clerk until the vacancy in the office of the clerk is filled.

Sec. 10. Minnesota Statutes 2024, section 367.161, is amended to read:

367.161 DEPUTY TREASURER.

Each town treasurer may appoint a deputy not currently serving as an elected official of the town for whose acts the treasurer is responsible, and who, in case of the treasurer's absence or disability, shall perform the treasurer's duties. When the office of the treasurer becomes vacant, a deputy appointed under this section may continue in office as acting treasurer until the vacancy in the office of the treasurer is filled.

Sec. 11. Minnesota Statutes 2024, section 379.01, subdivision 3, is amended to read:

Subd. 3. ~~**Organizational**~~ **First town meeting.** If the result of an election held under this section is in the affirmative, the county shall arrange for the holding of the first ~~organizational~~ town meeting not more than 30 days after the election in the township to be organized.

Sec. 12. Minnesota Statutes 2024, section 383A.281, subdivision 13, is amended to read:

Subd. 13. **County personnel system.** "County personnel system" means all employees in the departments or agencies of county government or joint city and county agencies which receive their

funding in whole or in part from the county board, including employees of the following, but excluding other employees not subject to a county personnel system because of state law:

~~(a)~~ (1) elected officials;

~~(b)~~ (2) the Saint Paul-Ramsey Medical Center Commission; and

~~(c)~~ (3) the ~~court administrator of district court;~~ Examiner of Titles.

~~but not including:~~

~~(1) district court judges;~~

~~(2) court reporters, law clerks, referees employed by the district court, and the Second Judicial District administrator's office;~~

~~(3) court commissioners;~~

~~(4) the public defender;~~

~~(5) employees of the Examiner of Titles, Agricultural Extension Service, Humane Society, Historical Society, and Soil and Water Conservation District; and~~

~~(6) other employees not subject to a county personnel system because of state law.~~

Sec. 13. Minnesota Statutes 2024, section 383A.283, subdivision 2, is amended to read:

Subd. 2. ~~**Director**~~ **Chief human resources officer.** The ~~director~~ chief human resources officer shall be appointed by the Ramsey County ~~executive director~~ county manager, on the basis of merit and fitness as a result of a competitive examination, subject to the approval of the county board. The ~~director~~ chief human resources officer shall be in the ~~classified~~ unclassified service ~~and shall report directly to and be supervised by the Ramsey County executive director~~.

Sec. 14. Minnesota Statutes 2024, section 383A.283, subdivision 3, is amended to read:

Subd. 3. **Responsibilities.** The chief human resources ~~director~~ officer shall provide personnel management services and assistance to all county departments, enforce any personnel rules and regulations adopted by the county board, and carry out the responsibilities set forth in sections 383A.281 to 383A.301.

Sec. 15. Minnesota Statutes 2024, section 383A.284, subdivision 1, is amended to read:

Subdivision 1. **Rulemaking.** The chief human resources ~~director~~ officer shall prepare rules to implement the provisions of sections 383A.281 to 383A.301. The rules shall be effective upon approval by the county board. Prior to approval, the county board shall hold a public hearing on the proposed rules after giving notice to county departments, employees, affected labor organizations, and the public. The rules approved by the county board shall have the force and effect of law. The rules may be amended or repealed in the same manner as originally adopted.

Sec. 16. Minnesota Statutes 2024, section 383A.284, subdivision 2, is amended to read:

Subd. 2. **Collective bargaining.** The ~~executive director~~ county manager or the ~~director's~~ county manager's designee shall be the chief labor negotiator for the county. The ~~executive director~~ county manager may, as necessary and at discretion, include department heads of affected departments in the labor negotiation process. The ~~executive director~~ county manager shall recommend to the county board for its final approval all collective bargaining agreements. To the extent they are covered by a collective bargaining agreement, the compensation, term, and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179A shall be governed by the collective bargaining agreement executed by the county board and the parties and it shall supersede any rule or administrative procedure adopted pursuant to sections 383A.281 to 383A.301, unless a provision of the agreement is found to violate other state or federal law.

Sec. 17. Minnesota Statutes 2024, section 383A.284, subdivision 3, is amended to read:

Subd. 3. ~~**Payroll voucher certification**~~ **Payrolls approved.** The ~~director of~~ chief human resources officer or the ~~director's~~ officer's authorized agent shall be responsible for ~~certification of the payroll vouchers that the~~ payment of salary or compensation of persons ~~named in them have been~~ appointed and employed in accordance with the provisions of sections 383A.281 to 383A.301 and the rules under sections 383A.281 to 383A.301. ~~No Ramsey County disbursing or auditing~~ The chief human resources officer or the officer's authorized agent shall ~~make or approve or take part in making or approving payment for personal service to~~ not certify a payroll item for a person holding a position in county service unless the ~~payroll voucher or account for the amount bears the certification of the director or the authorized agent~~ person has been appointed and employed in accordance with the provisions of sections 383A.281 to 383A.301 and the rules authorized under sections 383A.281 to 383A.301.

Sec. 18. Minnesota Statutes 2024, section 383A.284, subdivision 4, is amended to read:

Subd. 4. **Evaluation; report.** The county board shall establish performance indicators and annually monitor the performance of the personnel management system in the county. The chief human resources ~~director~~ officer shall periodically review and evaluate current and future staff needs of all county departments, job classes and descriptions, training and development, and internal and market comparability of all classification and salary schedules and report to the county board on these and other personnel management areas, as requested.

Sec. 19. Minnesota Statutes 2024, section 383A.284, subdivision 5, is amended to read:

Subd. 5. **Review appointments.** Prior to each new appointment to the county personnel system, the chief human resources ~~director~~ officer shall certify that the person has been appointed in accordance with sections 383A.281 to 383A.301 and applicable rules and regulations.

Sec. 20. Minnesota Statutes 2024, section 383A.285, subdivision 2, is amended to read:

Subd. 2. **Classification plan.** The chief human resources ~~director~~ officer shall maintain, revise, and administer a classification and salary plan.

Sec. 21. Minnesota Statutes 2024, section 383A.285, subdivision 3, is amended to read:

Subd. 3. **Classification of positions.** The chief human resources ~~director~~ officer shall place each position in the classified service in an appropriate class in the classification plan or in a new

class to be created, if appropriate. If a class is unique to a department, the chief human resources ~~director~~ officer shall consult the head of that department before classifying the unique positions.

Sec. 22. Minnesota Statutes 2024, section 383A.285, subdivision 4, is amended to read:

Subd. 4. **Appeal from classification or reclassification.** An appointing authority or an employee affected by a classification or reclassification of a position may protest the action in writing to the human resources director. The chief human resources ~~director~~ officer shall review the classification or reclassification and may change the decision. Neither the appointing authority nor the employee shall have any further right to appeal a decision regarding a classification or reclassification to the Personnel Review Board.

Sec. 23. Minnesota Statutes 2024, section 383A.285, subdivision 5, is amended to read:

Subd. 5. **Study; implementation.** The chief human resources ~~director~~ officer shall complete a reclassification study within 60 days after receiving a reclassification request. The appointing authority shall implement the personnel changes required by the reclassification decision in a timely manner and qualifications for reclassified positions shall be reasonably commensurate with the requirements of the position.

Sec. 24. Minnesota Statutes 2024, section 383A.285, subdivision 10, is amended to read:

Subd. 10. **Unclassifying positions.** An employee in the classified service with permanent tenure, who is an incumbent of a position which becomes unclassified and is not appointed to or is removed from the unclassified position, shall be transferred by the chief human resources ~~director~~ officer to a classified position within the same department comparable to the unclassified position. If a comparable position is unavailable, the person shall be transferred by the ~~director~~ chief human resources officer to a classified position comparable to that held immediately prior to being appointed to the position which was unclassified. If the employee held an unclassified position with the same agency before being appointed to the classified position that is unclassified, the person shall be transferred by the ~~director~~ chief human resources officer to a classified position comparable to the classified position next in rank below the position that is unclassified. The employee's salary shall not be less than it was in the position which was unclassified, but it may be frozen until it is commensurate with the class and grade of the position to which the employee was transferred.

Sec. 25. Minnesota Statutes 2024, section 383A.286, subdivision 2, is amended to read:

Subd. 2. **Unclassified positions.** The following positions shall be in the unclassified service:

~~(a)~~ (1) positions held by elected officials or persons appointed to fill an elected office;

~~(b) one assistant~~ (2) assistants for each elected official;

~~(c)~~ (3) the director or principal administrative officer of a department of county government or agency created by law~~, except that the affirmative action officer, human resources director, internal auditor, and director of budgeting and accounting shall be positions in the classified service~~;

~~(d) doctors, residents, and student nurses employed by the county or county agency;~~

~~(e)~~ (4) members of a board or commission appointed by the county, or the county and the city, and acting in an advisory capacity;

~~(f)~~ (5) weed inspectors~~, election judges, or election clerks~~;

~~(g) special police officers or special deputy sheriffs serving without pay;~~

~~(h) judges, court administrators, court reporters, receivers, referees, the examiner or assistant examiners of titles, public defenders, arbiters, jurors, court administrator of district court, or persons appointed by the district court to make or conduct a special inquiry of a judicial or temporary character;~~

~~(i)~~ (6) all positions in the Second Judicial District administrator's office;

~~(j)~~ (7) the ~~executive director~~ county manager and ~~eight~~ principal assistants;

~~(k) the chief executive officer of the medical center and seven principal assistants;~~

~~(l) interns, student workers, law clerks, or~~ (8) other employees employed for a limited duration as determined by the county board;

~~(m)~~ (9) positions designated by the county board as unclassified pursuant to subdivision 3;

~~(n)~~ (10) the sheriff, the sheriff's chief deputy, ~~three~~ principal assistants, and ~~a~~ personal ~~secretary~~ secretaries; and

~~(o)~~ (11) the county attorney, the county attorney's first assistant, ~~one~~ principal ~~assistant~~ assistants, and ~~a~~ personal ~~secretary~~ secretaries.

Sec. 26. Minnesota Statutes 2024, section 383A.286, subdivision 3, is amended to read:

Subd. 3. **Unclassified positions authorized by county board.** (a) The county board may designate additional positions in the unclassified service if the following criteria are met:

~~(a)~~ (1) designation of the position is not contrary to the provisions of other law relating specifically to that department;

~~(b)~~ (2) the person occupying the position of supervisor or a department assistant would report directly to the department head and would be designated as part of the department head's management team; and

~~(c)~~ (3) the duties of the position involve significant discretion and substantial involvement in the development, interpretation, and implementation of department policy.

(b) The chief human resources ~~director~~ officer shall certify whether the designation is consistent or inconsistent with the standards and criteria in this section. The county board may appeal certification decisions to the Personnel Review Board.

Sec. 27. Minnesota Statutes 2024, section 383A.288, subdivision 5, is amended to read:

Subd. 5. **Waiver of competitive examinations.** The chief human resources ~~director~~ officer shall establish a procedure and a definition of the criteria for the selection and referral of qualified applicants to fill positions in routine service classifications involving unskilled tasks. Applicants to fill vacancies in the classifications shall be exempt from ranking and certification. The ~~director~~ chief human resources officer shall refer all qualified applicants to the appointing authority having vacancies in the appropriate classifications.

Sec. 28. Minnesota Statutes 2024, section 383A.288, subdivision 6, is amended to read:

Subd. 6. **Classified managerial positions.** The chief human resources ~~director~~ officer shall establish criteria for the designation of positions in the classified service as managerial positions where the duties involve significant discretion and substantial involvement in the development, interpretation, and implementation of departmental and county policy. The chief human resources ~~director~~ officer shall designate those classified positions that meet these criteria in consultation with interested parties, including bargaining units certified pursuant to chapter 179A representing Ramsey County employees. Classified positions, so designated, shall be exempt from the examination and certification requirements of this section, and the provisions of section 383A.289, and shall be filled by means of an open application and screening process.

Sec. 29. Minnesota Statutes 2024, section 383A.289, subdivision 1, is amended to read:

Subdivision 1. **General.** The chief human resources ~~director~~ officer shall prepare eligible lists as provided in this section.

Sec. 30. Minnesota Statutes 2024, section 383A.289, subdivision 3, is amended to read:

Subd. 3. **Term of eligibility.** The term of eligibility of eligibles on lists shall be determined by the chief human resources ~~director~~ officer.

Sec. 31. Minnesota Statutes 2024, section 383A.291, subdivision 1a, is amended to read:

Subd. 1a. **Under county rules.** Upon request of the appointing authority, the chief human resources ~~director~~ officer shall certify eligibles in accordance with rules adopted under section 383A.284, subdivision 1.

Sec. 32. Minnesota Statutes 2024, section 383A.292, subdivision 1, is amended to read:

Subdivision 1. **Temporary appointments.** The chief human resources ~~director~~ officer may authorize the appointing authority to make a temporary appointment of not more than six months in any 12-month period. When practicable, the human resources director may certify any qualified eligible from an eligible list for the temporary appointment, but may authorize the appointment of any person deemed qualified by the appointing authority.

Sec. 33. Minnesota Statutes 2024, section 383A.292, subdivision 2, is amended to read:

Subd. 2. **Provisional appointments.** The chief human resources ~~director~~ officer may authorize the appointing authority to make a provisional appointment for a position for which there is no eligible list for a period of time determined by the human resources director not to exceed six months.

Sec. 34. Minnesota Statutes 2024, section 383A.294, subdivision 6, is amended to read:

Subd. 6. **Production of documents.** The chief human resources ~~director~~ officer may make a written request to an employee to produce relevant documents or to a person to appear for the purpose of giving relevant oral statements or testimony relating to a disciplinary action of an employee. An employee who is the subject of a disciplinary action may make a written request to the chief human resources ~~director~~ officer for the production of relevant documents or for the appearance of a person to give relevant oral statements or testimony relating to the disciplinary action. The request for the appearance of a person may be to appear and testify at a hearing of the Personnel Review Board or to appear at a specified place to give an oral statement prior to a hearing of the Personnel Review Board. The chief human resources ~~director~~ officer, or the employee upon receipt of a request for production of relevant documents, shall furnish the requesting party the documents within ten days of receipt of the written request. A person to whom a request for an appearance has been made shall appear at the time and place designated in the request. If a party to whom a request for relevant documents has been made fails to furnish the documents to the requesting party within ten days of receipt of the request, the requesting party may make an application to the district court for a determination that the refusal to produce the documents was unreasonable. If a person to whom a request for appearance has been made fails to appear at the time and place designated in the request, the party making the request for appearance may make an application to the district court for a determination that the failure to appear was unreasonable. If the district court determines that a failure to produce requested documents or to appear was unreasonable, it may assess costs not exceeding $100 to the requesting party against the refusing party or person.

Sec. 35. Minnesota Statutes 2024, section 383A.295, subdivision 1, is amended to read:

Subdivision 1. **Benefits.** The chief human resources ~~director~~ officer shall have the authority to set hours of employment, sick leave, vacation leave, leave of absence without pay, health insurance, life insurance, and other fringe benefits for employees in the classified and unclassified service subject to the approval of the county board and in accordance with the law.

Sec. 36. Minnesota Statutes 2024, section 383A.295, subdivision 2, is amended to read:

Subd. 2. **Layoffs.** The chief human resources ~~director~~ officer shall adopt rules and regulations providing for the layoff and reemployment of employees on the basis of the employee's seniority.

Sec. 37. Minnesota Statutes 2024, section 429.011, subdivision 2a, is amended to read:

Subd. 2a. **Municipality; certain counties.** "Municipality" also includes the following:

(1) a county in the case of construction, reconstruction, or improvement of a county state-aid highway;

(2) a county in the case of construction, reconstruction, or improvement of a county highway as defined in section 160.02 including curbs and gutters and storm sewers;

(3) a county exercising its powers and duties under section 444.075, subdivision 1;

(4) a county for expenses not paid for under section 403.113, subdivision 3, paragraph (b), clause (3);

(5) a county in the case of the abatement of nuisances; ~~and~~

(6) a county operating an energy improvements financing program under section 216C.436 or 216C.437; and

(7) a county in the case of construction, reconstruction, extension, or maintenance of thermal energy networks as defined in section 216B.2427, subdivision 1, paragraph (s).

Sec. 38. Minnesota Statutes 2024, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **Improvements authorized.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.

(12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.

(16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.

(17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.

(18) To purchase, install, and maintain signs, posts, and other markers for addressing related to the operation of enhanced 911 telephone service.

(19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, provided that the municipality must:

(i) not discriminate in favor of the municipality's own communications facilities by granting the municipality more favorable or less burdensome terms and conditions than a nonmunicipal service provider with respect to: (A) access and use of public rights-of-way; (B) access and use of municipally owned or controlled conduit, towers, and utility poles; and (C) permitting fees charged to access municipally owned and managed facilities;

(ii) maintain separation between the municipality's role as a regulator over firms that offer services in competition with the services offered by the municipality over the municipality's communications service facilities, and the municipality's role as a competitive provider of services over the municipality's communications service facilities; and

(iii) not share inside information between employees or contractors responsible for executing the municipality's role as a regulator over firms that offer communications services in competition with the communication services offered by the municipality, and employees or contractors responsible for executing the municipality's role as a competitive communications services provider.

(20) To assess affected property owners for all or a portion of the costs agreed to with an electric utility, telecommunications carrier, or cable system operator to bury or alter a new or existing distribution system within the public right-of-way that exceeds the utility's design and construction standards, or those set by law, tariff, or franchise, but only upon petition under section 429.031, subdivision 3.

(21) To assess affected property owners for repayment of voluntary energy improvement financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

(22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy improvement projects in existing buildings, provided that:

(i) a petition for the improvement is made by a property owner under section 429.031, subdivision 3;

(ii) the municipality funds and administers the energy improvement project;

(iii) project funds are only used for the installation of improvements to heating, ventilation, and air conditioning equipment and building envelope and for the installation of renewable energy systems;

(iv) each property owner petitioning for the improvement receives notice that free or low-cost energy improvements may be available under federal, state, or utility programs;

(v) for energy improvement projects on residential property, only residential property having five or more units may obtain financing for projects under this clause; and

(vi) prior to financing an energy improvement project or imposing an assessment for a project, written notice is provided to the mortgage lender of any mortgage encumbering or otherwise secured by the property proposed to be improved.

(23) To construct, reconstruct, extend, and maintain thermal energy networks as defined in section 216B.2427, subdivision 1, paragraph (s).

Sec. 39. Minnesota Statutes 2024, section 444.075, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply ~~in~~ to this section.

~~(a)~~ (b) "Municipality" means a home rule charter or statutory city or a town.

~~(b)~~ (c) "Governing body" means the town board with respect to towns.

~~(c)~~ (d) "Waterworks" means waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, thermal energy networks as defined in section 216B.2427, subdivision 1, paragraph (s), and other appurtenances of a waterworks system.

~~(d)~~ (e) "Sanitary sewer" means sanitary sewer systems, including sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, or other wastes.

~~(e)~~ (f) "Storm sewer" means storm sewer systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of stormwater.

~~(f)~~ (g) "Facilities" means and includes waterworks, sanitary sewer and storm sewer systems, or any portion or portions thereof.

Sec. 40. **REPEALER.**

(a) Minnesota Statutes 2024, sections 383A.298; and 383A.301, are repealed effective the day after the Ramsey County Board of Commissioners and the county's chief clerical officer comply with Minnesota Statutes, section 654.021, subdivisions 2 and 4.

(b) Minnesota Statutes 2024, section 462.357, subdivision 5, is repealed effective the day following final enactment.

Sec. 41. **EFFECTIVE DATE.**

Sections 12 to 39 are effective the day after the Ramsey County Board of Commissioners and the county's chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to state government; changing copy numbers for legislative manual; changing provisions for business filings, energy and water use in state facilities, enterprise sustainability, grant management, pharmacy benefit manager selection, historic site management, lien notice, public television block grant eligibility, attorney general civil actions, barbers, and cosmetologists; modifying provisions for local government elections, organization, investments, personnel structure, and financing of public projects; dedicating Snow Professionals Appreciation Month and Hmong American Heritage Week; designating the state sled; extending the Legislative Commission on Cybersecurity; requiring payment transparency; defining terms; amending Minnesota Statutes 2024, sections 3.888, subdivision 7; 5.02; 5.08; 5.23, subdivision 1; 15.72, by adding a subdivision; 16B.32, subdivisions 1, 2, by adding subdivisions; 16B.372, subdivision 1; 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1; 43A.231, subdivision 5; 118A.09, subdivisions 2, 4, by adding a subdivision; 129D.13, subdivision 1; 138.669; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, by adding subdivisions; 154.05; 154.07, subdivision 1, by adding a subdivision; 154.08; 154.09; 154.11, subdivision 1; 155A.20; 155A.23, subdivisions 4, 5, 8, 9, 10, 18, by adding a subdivision; 155A.25, subdivisions 1a, 5, 7; 155A.27, subdivisions 5a, 10; 155A.271, subdivision 2; 155A.29, subdivision 2; 155A.30, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 12; 155A.31; 155A.32; 155A.33, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 268.058, subdivision 1; 365.05; 365.50, subdivisions 1, 2; 367.03, subdivision 2; 367.12; 367.161; 379.01, subdivision 3; 383A.281, subdivision 13; 383A.283, subdivisions 2, 3; 383A.284, subdivisions 1, 2, 3, 4, 5; 383A.285, subdivisions 2, 3, 4, 5, 10; 383A.286, subdivisions 2, 3; 383A.288, subdivisions 5, 6; 383A.289, subdivisions 1, 3; 383A.291, subdivision 1a; 383A.292, subdivisions 1, 2; 383A.294, subdivision 6; 383A.295, subdivisions 1, 2; 429.011, subdivision 2a; 429.021, subdivision 1; 444.075, subdivision 1; Minnesota Statutes 2025 Supplement, section 15A.082, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 1; 10; 43A; 358; repealing Minnesota Statutes 2024, sections 383A.298; 383A.301; 462.357, subdivision 5; Laws 2017, First Special Session chapter 4, article 1, section 29; Minnesota Rules, parts 2100.2500; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, 5; 2100.5300; 2100.6000."

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. 4474: A bill for an act relating to commerce; prohibiting online sweepstakes games; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 2, delete lines 5 to 10 and insert:

"Subd. 3. **Penalties and remedies.** The penalties and remedies provided for in section 325F.755, subdivision 7, apply to violations of this section. The commissioner of public safety may exercise

all powers necessary to investigate and enforce this section and may issue notices of violation, impose civil fines, and bring enforcement actions consistent with section 325F.755, subdivision 7."

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

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

S.F. No. 4301: A bill for an act relating to public safety; modifying the definition of domestic abuse for purposes of obtaining an order for protection; requiring law enforcement agencies to report certain information in domestic abuse cases; authorizing certain arrests for suspected nonfelony domestic abuse; requiring a person arrested for suspected domestic abuse to be held in custody until the person's first court appearance; establishing the Task Force on Improving Responses to Domestic Violence Crimes; requiring annual reports; appropriating money; amending Minnesota Statutes 2024, sections 611A.0311, subdivision 1; 629.341, subdivision 1; 629.72, subdivisions 1a, 6; Minnesota Statutes 2025 Supplement, sections 299C.80, subdivision 6; 518B.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2024, section 629.72, subdivision 3.

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 2025 Supplement, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents that began with a law enforcement response to a situation involving suspected or alleged domestic abuse, as defined in section 626.5537, subdivision 1; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 2. Minnesota Statutes 2024, section 611A.0311, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

(b) "Domestic abuse case" means a prosecution for:

(1) a crime that involves domestic abuse;

(2) violation of a condition of release following an arrest for a crime that involves domestic abuse; ~~or~~

(3) violation of a domestic abuse order for protection issued pursuant to section 518B.01;

(4) violation of a harassment restraining order issued pursuant to section 609.748 committed against a family or household member by a family or household member;

(5) harassment or stalking within the meaning of section 609.749 committed against a family or household member by a family or household member; or

(6) violation of a domestic abuse no contact order issued pursuant to section 629.75.

Sec. 3. **[626.5537] DOMESTIC ABUSE; REPORTING.**

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

(b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2, paragraph (a), and also includes the following, if committed against a family or household member by a family or household member:

(1) violation of an order for protection within the meaning of section 518B.01, subdivision 14;

(2) violation of a harassment restraining order within the meaning of section 609.748, subdivision 6;

(3) harassment or stalking within the meaning of section 609.749; and

(4) violation of a domestic abuse no contact order within the meaning of section 629.75, subdivision 2.

(c) "Family or household member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

Subd. 2. **Collection of information; reporting.** The head of a local law enforcement agency or state law enforcement department that employs peace officers, as defined in section 626.84, subdivision 1, paragraph (c), must report every incident a peace officer reasonably believes, or a victim alleges, constitutes an act of domestic abuse to the commissioner of public safety by January 15 each year. The superintendent of the Bureau of Criminal Apprehension must adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include all of the following for each incident:

(1) the date of the incident;

(2) the location of the incident;

(3) the crime suspected to have been committed;

(4) whether the response began as a call for service alleging an act of domestic abuse;

(5) the perceived gender of the alleged victim and suspect;

(6) the perceived race of the alleged victim and suspect;

(7) whether a suspect was arrested at the time of the incident;

(8) whether a suspect was arrested at a later date and, if so, the time between the incident and the arrest;

(9) whether the alleged victim was arrested at the time of the incident and, if so, any alleged crime that formed the basis for the arrest;

(10) whether the alleged offender possessed, or was reported to possess, a firearm at the time of the incident;

(11) whether the case was referred for prosecution;

(12) whether the determination that the incident constituted an act of domestic abuse was based on an officer's reasonable belief, the victim's allegation, or both; and

(13) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Subd. 3. **Annual report.** The commissioner of public safety must summarize and analyze the information received under subdivision 2 and provide an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety. The annual report may be included in the department's annual uniform crime report.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 4. Minnesota Statutes 2024, section 629.341, subdivision 1, is amended to read:

Subdivision 1. **Arrest; referral for prosecution.** (a) Notwithstanding section 629.34 or any other law or rule, a peace officer may arrest a person anywhere without a warrant, including at the person's residence, if the peace officer has probable cause to believe that within the preceding ~~72 hours~~ 28 days, exclusive of the day probable cause was established, the person has committed nonfelony domestic abuse, as defined in section 518B.01, subdivision 2. The arrest may be made even though the assault did not take place in the presence of the peace officer.

(b) If a peace officer has probable cause to believe that a person has committed any act that constitutes harassing or stalking any person in violation of section 609.749; domestic abuse as defined in section 518B.01, subdivision 2; violation of an order for protection as described in section 518B.01, subdivision 14; or violation of a domestic abuse no contact order as described in section 629.75 and the person was not arrested, the peace officer should seek a warrant from a judge for the person's arrest without undue delay. A warrant issued under this paragraph is not subject to the limitations described in section 629.31.

Sec. 5. Minnesota Statutes 2024, section 629.341, subdivision 4, is amended to read:

Subd. 4. **Report required.** (a) Whenever a peace officer investigates an allegation that ~~an incident described in subdivision 1 has occurred, whether or not an arrest is made,~~ a person has committed a qualified domestic violence-related offense and the victim is a family or household member, the officer shall make a written police report of the alleged incident regardless of whether an arrest is made. The report must contain at least the following information: the name, address and telephone number of the victim, if provided by the victim, a statement as to whether an arrest occurred, the name of the arrested person, and a brief summary of the incident. Data that identify a victim who has made a request under section 13.82, subdivision 17, paragraph (d), and that are private data under that subdivision, shall be private in the report required by this section. A copy of this report must be provided upon request, at no cost, to the victim of domestic abuse, the victim's attorney, or organizations designated by the Office of Justice Programs in the Department of Public Safety that are providing services to victims of domestic abuse. The officer shall submit the report to the officer's supervisor or other person to whom the employer's rules or policies require reports of similar allegations of criminal activity to be made.

(b) As used in this subdivision:

(1) "qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16; and

(2) "family or household member" has the meaning given in section 518B.01, subdivision 2, paragraph (b).

Sec. 6. Minnesota Statutes 2024, section 629.72, subdivision 1a, is amended to read:

Subd. 1a. **Detention in lieu of citation; release.** (a) Notwithstanding any other law or rule, an arresting officer may not issue a citation in lieu of arrest and detention to an individual charged with harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order.

(b) Notwithstanding any other law or rule, an individual who is arrested on a charge of harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order, must be brought to the police station or county jail. An individual who is arrested on a charge of violation of an order for protection or violation of a domestic abuse no contact order must be detained until the person's first court appearance as required under sections 518B.01, subdivision 14, paragraph (e), and 629.75, subdivision 3. The officer in charge of the police station or the county sheriff in charge of the jail shall issue a citation in lieu of continued detention for a charge of harassing or stalking any person or for domestic abuse unless it reasonably appears to the officer or sheriff that release of the person (1) poses a threat to the alleged victim or another family or household member, (2) poses a threat to public safety, or (3) involves a substantial likelihood the arrested person will fail to appear at subsequent proceedings. In determining if the person poses a threat to the alleged victim or another family or household member, the officer in charge of the police station or the county sheriff in charge of the jail must consider the person's history of domestic violence, including but not limited to:

(1) any previous arrest or conviction for harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(2) any order for protection, harassment restraining order, or domestic abuse no contact order in which the person was identified as the subject of the order; and

(3) any pending petitions for an order for protection or a harassment restraining order in which the person is a respondent.

(c) If the arrested person is not issued a citation by the officer in charge of the police station or the county sheriff, the arrested person must be brought before the nearest available judge of the district court in the county in which the alleged harassing or stalking, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order took place without unnecessary delay as provided by court rule.

Sec. 7. Minnesota Statutes 2024, section 629.72, subdivision 2, is amended to read:

Subd. 2. **Judicial review; release; bail.** (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order. The prosecutor or prosecutor's designee shall present relevant information involving the victim's or the victim's family's account of the alleged crime to the judge to be considered in determining the arrested person's release. If the person was arrested for violation of an order for protection or violation of a domestic abuse no contact order, the prosecutor or prosecutor's designee must describe the allegations in the underlying petition or criminal case. The prosecutor or prosecutor's designee may present information and bail recommendations in person or by filing it with the court through the appropriate electronic filing system. In making a decision concerning pretrial release conditions of a person arrested for domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall review the facts of the arrest and detention of the person and the relevant information presented or filed by the prosecutor or prosecutor's designee and determine whether: (1) release of the person poses a threat to the alleged victim, another family or household member, or public safety; or (2) there is a substantial likelihood the person will fail to appear at subsequent proceedings. Before releasing a person arrested for or charged with a crime of domestic abuse, harassing or stalking, violation of an order for protection, or violation of a domestic abuse no contact order, the judge shall make findings on the record, to the extent possible, concerning the determination made in accordance with the factors specified in clauses (1) and (2). The findings should describe whether the person:

(1) was previously arrested for, or convicted of, harassing or stalking any person, domestic abuse, violation of an order for protection, or violation of a domestic abuse no contact order;

(2) has ever been the subject of an order for protection, harassment restraining order, or domestic abuse no contact order and, if so, the nature of the allegations or charges that gave rise to the order; and

(3) is the respondent in any pending petition for an order for protection or harassment restraining order and, if so, the nature of the allegations in any petition.

(b) The judge may impose conditions of release or bail, or both, on the person to protect the alleged victim or other family or household members and to ensure the appearance of the person at subsequent proceedings. These conditions may include an order:

(1) enjoining the person from threatening to commit or committing acts of domestic abuse or harassing or stalking against the alleged victim or other family or household members or from violating an order for protection or a domestic abuse no contact order;

(2) prohibiting the person from harassing, annoying, telephoning, contacting, or otherwise communicating with the alleged victim, either directly or indirectly;

(3) directing the person to vacate or stay away from the home of the alleged victim and to stay away from any other location where the alleged victim is likely to be;

(4) prohibiting the person from possessing a firearm or other weapon specified by the court;

(5) prohibiting the person from possessing or consuming alcohol or controlled substances; and

(6) specifying any other matter required to protect the safety of the alleged victim and to ensure the appearance of the person at subsequent proceedings.

(c) If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

(d) If the judge imposes as a condition of release a requirement that the person have no contact with the alleged victim, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.

Sec. 8. Minnesota Statutes 2024, section 629.72, subdivision 6, is amended to read:

Subd. 6. **Notice; release of arrested person.** (a) Immediately after ~~issuance of a citation in lieu of continued detention under subdivision 1, or~~ the entry of an order for release under subdivision 2, but before the arrested person is released, the agency having custody of the arrested person or its designee must make a reasonable and good faith effort to inform orally the alleged victim, local law enforcement agencies known to be involved in the case, if different from the agency having custody, and, at the victim's request any local battered women's and domestic abuse programs established under section 611A.32 or sexual assault programs of:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested person and the victim's right to be present at the court appearance; and

(4) if the arrested person is charged with domestic abuse, the location and telephone number of the area program that provides services to victims of domestic abuse as designated by the Office of Justice Programs in the Department of Public Safety.

(b) As soon as practicable after an order for conditional release is entered, the agency having custody of the arrested person or its designee must personally deliver or mail to the alleged victim a copy of the written order and written notice of the information in paragraph (a), clauses (2) and (3).

(c) Data on the victim and the notice provided by the custodial authority are private data on individuals as defined in section 13.02, subdivision 12, and are accessible only to the victim.

Sec. 9. **REPEALER.**

Minnesota Statutes 2024, section 629.72, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to public safety; requiring law enforcement agencies to report certain information in domestic abuse cases; authorizing certain arrests for suspected nonfelony domestic abuse; modifying pretrial release provisions for persons arrested for suspected domestic abuse; requiring reports; amending Minnesota Statutes 2024, sections 611A.0311, subdivision 1; 629.341, subdivisions 1, 4; 629.72, subdivisions 1a, 2, 6; Minnesota Statutes 2025 Supplement, section 299C.80, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2024, section 629.72, subdivision 3."

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. 4206: A bill for an act relating to natural resources; providing for fraud prevention in registrations, licenses, passes, and permits issued by the commissioner; providing criminal penalties; amending Minnesota Statutes 2024, sections 84.82, by adding a subdivision; 84.8205, by adding a subdivision; 85.053, by adding a subdivision; 97A.311, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84; 85; 86B.

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. 4379: A bill for an act relating to local government; prohibiting municipalities from entering into nondisclosure agreements; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, after line 12, insert:

"Subd. 2. **Applicability.** This section does not apply to:

(1) municipal power agencies established under and exercising the powers authorized by sections 453.51 to 453.62;

(2) a city when it is exercising the powers provided in section 453.58; or

(3) municipal power agencies formed under the laws of a state other than Minnesota."

Page 1, line 13, delete everything after the third period

Page 1, delete lines 14 to 19 and insert:

"(a) Except as required by state or federal law, a municipality must not enter into a nondisclosure agreement or other contract with a private person restricting the municipality from disclosing information to members of the public about:

(1) the development of land;

(2) an economic development project or program on the agenda of a regular, special, or emergency meeting of the governing body of the municipality; or

(3) a project or program financed in whole or in part with the municipality's tax revenues, financial obligations, or taxing powers, including proposed tax increment financing districts, economic development abatements, and municipal bonds or other debt obligations."

Renumber the subdivisions in sequence

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. 4294: A bill for an act relating to public safety; establishing a uniform procedure for imposition, implementation, and oversight of firearm restrictions resulting from certain criminal convictions and judicial orders; amending Minnesota Statutes 2024, sections 260C.201, subdivision 3; 518B.01, subdivisions 6, 14; 609.2242, subdivision 3; 609.749, subdivision 8; 629.715, subdivision 2; Minnesota Statutes 2025 Supplement, sections 260C.141, subdivision 1; 518B.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 518B.

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 2025 Supplement, section 260C.141, subdivision 1, is amended to read:

Subdivision 1. **Who may file; required form.** (a) Any reputable person, including but not limited to any agent of the commissioner of children, youth, and families, having knowledge of a

child in this state or of a child who is a resident of this state, who appears to be in need of protection or services or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

(b) A petition for a child in need of protection filed by an individual who is not a county attorney or an agent of the commissioner of children, youth, and families shall be filed on a form developed by the state court administrator and provided to court administrators. Copies of the form may be obtained from the court administrator in each county. The court administrator shall review the petition before it is filed to determine that it is completed. The court administrator may reject the petition if it does not indicate that the petitioner has contacted the responsible social services agency.

An individual may file a petition under this subdivision without seeking internal review of the responsible social services agency's decision. The court shall determine whether there is probable cause to believe that a need for protection or services exists before the matter is set for hearing. If the matter is set for hearing, the court administrator shall notify the responsible social services agency by sending notice to the county attorney.

The petition must contain:

(1) a statement of facts that would establish, if proven, that there is a need for protection or services for the child named in the petition;

(2) a statement that petitioner has reported the circumstances underlying the petition to the responsible social services agency, and protection or services were not provided to the child;

(3) a statement whether there are existing juvenile or family court custody orders or pending proceedings in juvenile or family court concerning the child;

(4) a statement of the relationship of the petitioner to the child and any other parties; ~~and~~

(5) a statement whether the petitioner has inquired of the parent or parents of the child, the child, and relatives about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10~~.~~; and

(6) a description, to the best of the petitioner's knowledge, of the types and locations of any firearms believed by the petitioner to be possessed by the abusing party or otherwise in the home of the child, if the abusing party lives with the child.

The court may not allow a petition to proceed under this paragraph if it appears that the sole purpose of the petition is to modify custody between the parents. A court may not dismiss a petition if the petitioner does not provide a description of firearms or the locations of firearms owned by the respondent as required in clause (6).

Sec. 2. Minnesota Statutes 2024, section 260C.201, subdivision 3, is amended to read:

Subd. 3. **Domestic child abuse.** (a) If the court finds that the child is a victim of domestic child abuse, as defined in section 260C.007, subdivision 13, it may order any of the following dispositions of the case in addition to or as alternatives to the dispositions authorized under subdivision 1:

(1) restrain any party from committing acts of domestic child abuse;

(2) exclude the abusing party from the dwelling which the family or household members share or from the residence of the child;

(3) on the same basis as is provided in chapter 518, establish temporary visitation with regard to minor children of the adult family or household members;

(4) on the same basis as is provided in chapter 518 or 518A, establish temporary support or maintenance for a period of 30 days for minor children or a spouse;

(5) provide counseling or other social services for the family or household members; or

(6) order the abusing party to participate in treatment or counseling services.

Any relief granted by the order for protection shall be for a fixed period not to exceed one year.

(b) No order excluding the abusing party from the dwelling may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling;

(2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party; and

(3) the local welfare agency has developed a plan to provide appropriate social services to the remaining family or household members.

(c) Upon a finding that the remaining parent is able to care adequately for the child and enforce an order excluding the abusing party from the home and that the provision of supportive services by the responsible social services agency is no longer necessary, the responsible social services agency may be dismissed as a party to the proceedings. Orders entered regarding the abusing party remain in full force and effect and may be renewed by the remaining parent as necessary for the continued protection of the child for specified periods of time, not to exceed one year.

(d) An order granting relief that was issued after a hearing of which the abusing party received actual notice and at which the abusing party had the opportunity to participate, shall prohibit the abusing party from possessing firearms for the length the order is in effect if the order (1) restrains the abusing party from harassing, stalking, or threatening the child or restrains the abusing party from engaging in other conduct that would place the child in reasonable fear of bodily injury, and (2) includes a finding that the abusing party represents a credible threat to the physical safety of the child or prohibits the abusing party from using, attempting to use, or threatening to use physical force against the child. The order shall inform the abusing party of that party's prohibited status. Except as provided in paragraph ~~(f)~~ (e), the court shall order the abusing party to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. An abusing party may not transfer firearms to a third party who resides with the abusing party. If an abusing party makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the abusing party a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned~~

~~firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to an abusing party shall comply with state and federal law. If an abusing party permanently transfers the abusing party's firearms to a law enforcement agency, the agency is not required to compensate the abusing party and may charge the abusing party a reasonable processing fee. A law enforcement agency is not required to accept an abusing party's firearm under this paragraph.~~ as provided for in section 518B.03 and direct the abusing party to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of an abusing party's permit to carry or permit to purchase, the abusing party must surrender the permits to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the abusing party surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(e) An abusing party who is ordered to transfer firearms under paragraph (d) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the abusing party permanently transferred the abusing party's firearms to the third party or agreeing to temporarily store the abusing party's firearms until such time as the abusing party is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the abusing party to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the abusing party gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the abusing party. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the abusing party, date of transfer, and the serial number, make, and model of all transferred firearms. The abusing party shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(f)~~ (e) When a court issues an order containing a firearms restriction provided for in paragraph (d), the court shall determine by a preponderance of evidence if an abusing party poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the abusing party's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the abusing party's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the abusing party, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with~~

~~the requirements for affidavits or proofs of transfer established in paragraph (e). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (d) and (e) as if accepting transfer from the abusing party. If the law enforcement agency does not receive written notice from the abusing party within three business days, the agency may charge a reasonable fee to store the abusing party's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the abusing party be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 3. Minnesota Statutes 2025 Supplement, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause (28), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) A petition for relief must describe, to the best of the petitioner's knowledge, the types and locations of any firearms believed by the petitioner to be possessed by the respondent. A court may not dismiss a petition if the petitioner does not provide a description of firearms or the locations of firearms owned by the respondent.

~~(e)~~ (f) A petition for relief must state whether the petitioner has any minor children and, if so, must provide the name of any custodian of the minor children and must identify the location or residence of the custodian. If any custodian is a program participant as defined in section 5B.02,

paragraph (g), the location or residence of the custodian is the address designated by the secretary of state as the address of the program participant. A petition must not be rejected or denied for failure to identify any custodian.

~~(f)~~ (g) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

~~(g)~~ (h) The court shall advise a petitioner under paragraph ~~(f)~~ (g) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

~~(h)~~ (i) The court shall advise a petitioner under paragraph ~~(f)~~ (g) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

~~(i)~~ (j) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

~~(j)~~ (k) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner and the custodian of any of the petitioner's minor children by mail at least five days before the hearing.

~~(k)~~ (l) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 4. Minnesota Statutes 2024, section 518B.01, subdivision 6, is amended to read:

Subd. 6. **Relief by court.** (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;

(4) award temporary custody or establish temporary parenting time with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. In addition to the primary safety considerations, the court may consider particular best interest factors that are found to be relevant to the temporary custody and parenting time award. Findings under section 257.025, 518.17, or 518.175 are not required with respect to the particular best interest factors not considered by the court. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted parenting time, the court shall condition or restrict parenting time as to time, place, duration, or supervision, or deny parenting time entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and

parenting time shall in no way delay the issuance of an order for protection granting other relief provided for in this section. The court must not enter a parenting plan under section 518.1705 as part of an action for an order for protection;

(5) on the same basis as is provided in chapter 518 or 518A, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518A;

(6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(7) order the abusing party to participate in treatment or counseling services, including requiring the abusing party to successfully complete a domestic abuse counseling program or educational program under section 518B.02;

(8) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(9) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(10) order the abusing party to have no contact with the petitioner whether in person, by telephone, mail, or electronic mail or messaging, through a third party, or by any other means;

(11) order the abusing party to pay restitution to the petitioner;

(12) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation;

(13) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or other law enforcement or corrections officer as provided by this section;

(14) direct the care, possession, or control of a pet or companion animal owned, possessed, or kept by the petitioner or respondent or a child of the petitioner or respondent; and

(15) direct the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) Any relief granted by the order for protection shall be for a period not to exceed two years, except when the court determines a longer period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may

hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2) or (3), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

(g) An order granting relief shall prohibit the abusing party from possessing firearms for the length the order is in effect if the order (1) restrains the abusing party from harassing, stalking, or threatening the petitioner or restrains the abusing party from engaging in other conduct that would place the petitioner in reasonable fear of bodily injury, and (2) includes a finding that the abusing party represents a credible threat to the physical safety of the petitioner or prohibits the abusing party from using, attempting to use, or threatening to use physical force against the petitioner. The order shall inform the abusing party of that party's prohibited status. Except as provided in paragraph ~~(i)~~ (h), the court shall order the abusing party to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. An abusing party may not transfer firearms to a third party who resides with the abusing party. If an abusing party makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the abusing party a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to an abusing party shall comply with state and federal law. If an abusing party permanently transfers the abusing party's firearms to a law enforcement agency, the agency is not required to compensate the abusing party and may charge the abusing party a reasonable processing fee. A law enforcement agency is not required to accept an abusing party's firearm under this paragraph.~~ as provided for in section 518B.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of an abusing party's permit to carry or permit to purchase, the abusing party must surrender the permits to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the abusing party surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(h) An abusing party who is ordered to transfer firearms under paragraph (g) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the abusing party permanently transferred the abusing party's firearms to the third party or agreeing to temporarily store the abusing party's firearms until such time as the abusing party is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the abusing party to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the abusing party gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the abusing party. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the abusing party, date of transfer, and the serial number, make, and model of all transferred firearms. The abusing party shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(i)~~ (h) When a court issues an order containing a firearms restriction provided for in paragraph (g), the court shall determine by a preponderance of evidence if an abusing party poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the abusing party's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the abusing party's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the abusing party, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (h). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (g) and (h) as if accepting transfer from the abusing party. If the law enforcement agency does not receive written notice from the abusing party within three business days, the agency may charge a reasonable fee to store the abusing party's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the abusing party be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 5. Minnesota Statutes 2024, section 518B.01, subdivision 14, is amended to read:

Subd. 14. **Violation of an order for protection.** (a) A person who violates an order for protection issued by a judge or referee is subject to the penalties provided in paragraphs (b) to (d).

(b) Except as otherwise provided in paragraphs (c) and (d), whenever an order for protection is granted by a judge or referee or pursuant to a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, and the respondent or person to be restrained knows of the existence of the order, violation of the order

for protection is a misdemeanor. Upon a misdemeanor conviction under this paragraph, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A violation of an order for protection shall also constitute contempt of court and be subject to the penalties provided in chapter 588.

(c) A person is guilty of a gross misdemeanor who violates this subdivision within ten years of a previous qualified domestic violence-related offense conviction or adjudication of delinquency. Upon a gross misdemeanor conviction under this paragraph, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(d) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person violates this subdivision:

(1) within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency; or

(2) while possessing a dangerous weapon, as defined in section 609.02, subdivision 6.

Upon a felony conviction under this paragraph in which the court stays imposition or execution of sentence, the court shall impose at least a 30-day period of incarceration as a condition of probation. The court also shall order that the defendant participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for felony convictions.

(e) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The probable cause required under this paragraph includes probable cause that the person knows of the existence of the order. If the order has not been served, the officer shall immediately serve the order whenever reasonably safe and possible to do so. An order for purposes of this subdivision, includes the short-form order described in subdivision 8a. When the order is first served upon the person at a location at which, under the terms of the order, the person's presence constitutes a violation, the person shall not be arrested for violation of the order without first being given a reasonable opportunity to leave the location in the presence of the peace officer. A person arrested under this paragraph shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(f) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(g) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation, or in the county in which the alleged violation occurred, if the petitioner and respondent do not reside in this state. The court also shall refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (b), (c), or (d).

(h) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 or a similar law of another state, the United States, the District of Columbia, tribal lands, United States territories, Canada, or a Canadian province, and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year, except when the court determines a longer fixed period is appropriate.

(i) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by paragraph (e).

(j) When a person is convicted under paragraph (b) or (c) of violating an order for protection and the court determines that the person used a firearm in any way during commission of the violation, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross

misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(k) Except as otherwise provided in paragraph (j), when a person is convicted under paragraph (b) or (c) of violating an order for protection, the court shall inform the defendant that the defendant is prohibited from possessing ~~a pistol~~ firearms for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the ~~pistol~~ firearms possession prohibition or the gross misdemeanor penalty to that defendant.

(l) Except as otherwise provided in paragraph (j), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted under paragraph (b) or (c) after August 1, 1996, of violating an order for protection, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section. Property rights may not be abated but access may be restricted by the courts. A person who possesses a ~~pistol~~ firearm in violation of this paragraph is guilty of a gross misdemeanor.

(m) If the court determines that a person convicted under paragraph (b) or (c) of violating an order for protection owns or possesses a firearm and used it in any way during the commission of the violation, it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

Sec. 6. **[518B.03] TRANSFER OF FIREARMS FROM CERTAIN PROHIBITED PERSONS.**

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

(b) "Local law enforcement agency" means the organized full-time police department of the municipality in which the subject resides or the county sheriff if there is no such police department.

(c) "Subject" means a person who is subject to a court order prohibiting the person from possessing firearms issued pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715.

(d) "Transfer order" is a court order requiring that a person transfer any firearms that the person possesses to comply with a firearms prohibition imposed pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715.

Subd. 2. **Transfer of firearms; documentation; storage; disposal.** (a) Firearm transfers ordered pursuant to section 260C.201, 518B.01, 609.2242, 609.749, or 629.715 must comply with this section.

(b) Upon issuance of a transfer order, the court must order the subject to transfer any firearms the person possesses or owns as soon as reasonably practicable to a federally licensed firearms dealer, the local law enforcement agency, or a third party who may lawfully receive them. The court shall impose a deadline for the subject to comply with the transfer order that takes into account the subject's custody status and the location of the subject's firearms. Transfers may be permanent or temporary except that transfers required pursuant to a lifetime firearms ban are permanent. A

temporary firearm transfer only entitles the receiving party to possess the firearm and does not transfer ownership or title. If the subject elects to transfer the subject's firearms to the local law enforcement agency, the agency must accept the transfer. The subject may not transfer firearms to a third party who resides with the subject.

(c) A transfer to a third party must be completed at the local law enforcement agency and either supervised by a peace officer employed by the agency or conducted in a safe zone provided by the agency that is under video surveillance. The subject shall provide at least 24-hour notice to the local law enforcement agency of the date and time of a transfer to a third party. The subject must document the date and time of a third party transfer on the required proof of transfer. If the third party transfer is supervised by a peace officer, the supervising peace officer must sign the subject's proof of transfer as an attestation that the transfer was completed.

(d) A federally licensed firearms dealer or law enforcement agency may charge the subject a reasonable fee to store temporarily transferred firearms. A person who does not pay the storage fee for a temporary firearm transfer within 60 days of the firearm being transferred is considered to have abandoned their firearm. Law enforcement agencies must establish policies for disposal of permanently transferred and abandoned firearms. These policies must require that the subject be notified via certified mail prior to disposal of abandoned firearms. A dealer must notify the subject via certified mail prior to disposing of an abandoned firearm. A law enforcement agency may destroy all permanently transferred and abandoned firearms. For temporary firearm transfers under this subdivision, a law enforcement agency or federally licensed firearms dealer must exercise due care to preserve the quality and function of the transferred firearms. If a subject permanently transfers the person's firearms to a law enforcement agency, the agency is not required to compensate the subject and may charge the subject a reasonable processing fee.

(e) A law enforcement agency or federally licensed firearms dealer that accepted a temporary firearm transfer under this section must return the firearms to the subject upon request after the expiration of the prohibiting time period, provided the subject is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to a subject must comply with state and federal law. A third party may not return to the subject a firearm transferred under this section until the subject is eligible to possess firearms, and the return transfer must comply with section 624.7134.

(f) A law enforcement agency shall be immune from civil or criminal liability for any damage or deterioration of firearms, ammunition, or weapons stored or transported pursuant to this section. This paragraph shall not apply if the damage or deterioration occurred as a result of recklessness, gross negligence, or intentional misconduct by the law enforcement agency.

Subd. 3. **Proof of transfer; filing.** (a) The subject must file proof of transfer or a declaration of nonpossession as provided for in this subdivision.

(b) A law enforcement agency, federally licensed firearms dealer, or third party accepting transfer of a firearm pursuant to this section must provide proof of transfer to the subject. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and must include the name of the subject, the date of transfer, and the serial number, manufacturer, and model of all transferred firearms. If transfer is made to a federally licensed firearms dealer, the subject must, within two business days after being served with the order, file a copy of the proof of transfer

with the court and attest that all firearms owned or possessed at the time of the order have been transferred in accordance with this section and that the person currently does not possess any firearms.

(c) If a firearms transfer is made to a third party under this section, the third party must sign an affidavit under oath before a notary public either acknowledging that the subject permanently transferred the subject's firearms to the person or agreeing to temporarily store the subject's firearms until the subject is legally permitted to possess firearms. To the extent possible, the affidavit must indicate the serial number, make, and model of all firearms transferred by the subject to the person. The subject must file the affidavit with the court.

(d) If the subject claims not to own or possess firearms, the subject must file a declaration of nonpossession with the court attesting that, at the time of the order, the subject neither owned nor possessed any firearms and that the subject currently neither owns nor possesses any firearms.

(e) Upon written notice from the subject, a law enforcement agency that temporarily possesses the subject's firearms must transfer the firearms to a federally licensed firearms dealer or a third party who is eligible to possess firearms and does not reside with the subject. Before a law enforcement agency transfers a firearm under this paragraph, the agency must require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit and proof of transfer based on the requirements of this subdivision. The agency must file all affidavits and proofs of transfer with the court within two business days of receiving the documents. A federally licensed firearms dealer who accepts a firearm transfer pursuant to this paragraph must comply with subdivision 2, as if accepting transfer directly from the subject.

(f) Except as provided for in paragraph (e), the subject is responsible for filing with the court all affidavits, proofs of transfer, and declarations of nonpossession, and the court must make the documents confidential.

(g) Nothing in this section limits the authority of a chief law enforcement officer, county attorney, city attorney, or a family or household member from petitioning a court to impose an extreme risk protection order prohibiting the subject from possessing firearms under sections 624.7171 to 624.7178.

Subd. 4. **Compliance hearing; arrest; sanctions; protections.** (a) To ensure that all firearms have been transferred, the court issuing a transfer order must hold a compliance hearing within ten business days of issuing the order. The court may waive the hearing requirement on its own motion or upon request of either the prosecutor or subject if the court determines that the subject has complied with the transfer order, including filing of a proof of transfer or affidavit of transfer, or otherwise submitted a credible declaration of nonpossession.

(b) If the court finds that there is probable cause to believe that the subject is not in compliance with a transfer order or fails to appear at a compliance hearing, the court must take appropriate action under the circumstances, including but not limited to issuing a warrant for the subject's arrest and notifying the chief law enforcement officer of the local law enforcement agency of the subject's failure to comply with the court's order. The court may also initiate a contempt proceeding under section 588.01, subdivision 3, to impose remedial sanctions on its own motion, or upon the motion of the prosecutor, and issue an order requiring the subject to appear, with additional sanctions for failure to appear; provide proof of compliance with the order; and show cause why the subject should not be held in contempt of court.

(c) The act of voluntarily surrendering firearms, providing testimony relating to the surrender of firearms, or complying with a transfer order, and any information directly or indirectly derived from such act or testimony, may not be used against the subject in any criminal prosecution, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the transfer order. Every transfer order must contain language consistent with the statutory immunity set forth in this subdivision.

(d) If a subject invokes the privilege against self-incrimination at the time of issuance of the order or at a subsequent hearing, the court may afford the subject an opportunity to demonstrate that compliance with a transfer order would expose that person to a realistic threat of self-incrimination in a subsequent or pending criminal proceeding. The court may conduct this portion of the proceeding ex parte or receive evidence in camera, without the presence of the prosecuting attorney.

(e) If the subject establishes such a realistic threat of self-incrimination regarding possible criminal prosecution that is not addressed by the immunity from prosecution set forth in paragraph (c), the court must afford the relevant prosecuting attorney an opportunity to offer an immunity agreement tailored specifically to the firearms implicated by the potential self-incrimination. To achieve the purposes of this section, any immunity offered must be narrowly tailored to address any realistic threat of self-incrimination while ensuring that any other firearms not implicated are surrendered.

(f) Any immunity from prosecution beyond the immunity set forth in paragraph (c) may only be extended by the prosecuting attorney. If the prosecuting attorney declines to extend immunity such that the subject cannot fully comply with the transfer order without facing a realistic threat of self-incrimination, the court's order must provide for the surrender of every firearm and firearm permit that does not implicate a realistic threat of self-incrimination. The order's prohibition on firearms possession remains in effect.

(g) Nothing in this section shall be interpreted as diminishing the requirement that the subject fully comply with the order issued by the court. The burden remains on the subject to prove compliance.

Sec. 7. Minnesota Statutes 2024, section 609.2242, subdivision 3, is amended to read:

Subd. 3. **Domestic assaults; firearms.** (a) When a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247, the court shall determine and make written findings on the record as to whether:

(1) the assault was committed against a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault,

it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

(c) When a person is convicted of assaulting a family or household member and is determined by the court to have used a firearm in any way during commission of the assault, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(d) Except as otherwise provided in paragraph (c), when a person is convicted of a violation of this section or section 609.224 and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a firearm for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(e) Except as otherwise provided in paragraph (c), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted after August 1, 1992, or ~~a firearm~~ if a person has been convicted on or after August 1, 2014, of domestic assault under this section or assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section or section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a firearm in violation of this paragraph is guilty of a gross misdemeanor.

(f) Except as otherwise provided in paragraphs (b) and ~~(h)~~ (g), when a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247 and the court determines that the assault was against a family or household member, the court shall order the defendant to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary, unless the court prohibits the person from possessing a firearm for the remainder of the person's life under paragraph (e). A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. A defendant may not transfer firearms to a third party who resides with the defendant. If a defendant makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the defendant a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified by certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period imposed under this subdivision, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to a~~

~~person shall comply with state and federal law. If a defendant permanently transfers the defendant's firearms to a law enforcement agency, the agency is not required to compensate the defendant and may charge the defendant a reasonable processing fee. A law enforcement agency is not required to accept a person's firearm under this paragraph. The court shall order that the person surrender all permits to carry and purchase firearms to the sheriff.~~ as provided for in section 518B.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a defendant's permit to carry or permit to purchase, the defendant must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the defendant surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(g) A defendant who is ordered to transfer firearms under paragraph (f) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the defendant permanently transferred the defendant's firearms to the third party or agreeing to temporarily store the defendant's firearms until such time as the defendant is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the defendant to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the defendant gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the defendant. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the defendant, date of transfer, and the serial number, make, and model of all transferred firearms. The defendant shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(h)~~ (g) When a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, 609.224, or 609.2247, and the court determines that the assault was against a family or household member, the court shall determine by a preponderance of the evidence if the person poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the person's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the defendant's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the person, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (g). The agency shall file all affidavits or proofs of transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (f) and (g) as if accepting transfer from the defendant. If~~

~~the law enforcement agency does not receive written notice from the defendant within three business days, the agency may charge a reasonable fee to store the defendant's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 8. Minnesota Statutes 2024, section 609.749, subdivision 8, is amended to read:

Subd. 8. **Harassment; stalking; firearms.** (a) When a person is convicted of harassment or stalking under this section and the court determines that the person used a firearm in any way during commission of the crime, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(b) Except as otherwise provided in paragraph (a), when a person is convicted of harassment or stalking under this section, the court shall inform the defendant that the defendant is prohibited from possessing a firearm for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(c) Except as otherwise provided in paragraph (a), a person is not entitled to possess ~~a pistol~~ firearms if the person has been convicted after August 1, 1996, of harassment or stalking under this section, or ~~to possess a firearm~~ if the person has been convicted on or after August 1, 2014, of harassment or stalking under this section, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section. Property rights may not be abated but access may be restricted by the courts. A person who possesses a firearm in violation of this paragraph is guilty of a gross misdemeanor.

(d) If the court determines that a person convicted of harassment or stalking under this section owns or possesses a firearm and used it in any way during the commission of the crime, it shall order that the firearm and all other firearms possessed by the person be summarily forfeited under section 609.5316, subdivision 3.

(e) Except as otherwise provided in paragraphs (d) and ~~(g)~~ (f), when a person is convicted of harassment or stalking under this section, the court shall order the defendant to transfer any firearms that the person possesses~~, within three business days, to a federally licensed firearms dealer, a law enforcement agency, or a third party who may lawfully receive them. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm. A temporary transfer does not transfer ownership or title. A defendant may not transfer firearms to a third party who resides with the defendant. If a defendant makes a temporary transfer, a federally licensed firearms dealer or law enforcement agency may charge the defendant a reasonable fee to store the person's firearms and may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms. For temporary firearms transfers under this paragraph, a law enforcement agency, federally~~

~~licensed firearms dealer, or third party shall exercise due care to preserve the quality and function of the transferred firearms and shall return the transferred firearms to the person upon request after the expiration of the prohibiting time period imposed under this subdivision, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The return of temporarily transferred firearms to a defendant shall comply with state and federal law. If a defendant permanently transfers the defendant's firearms to a law enforcement agency, the agency is not required to compensate the defendant and may charge the defendant a reasonable processing fee. A law enforcement agency is not required to accept a person's firearm under this paragraph. The court shall order that the person surrender all permits to carry and purchase firearms to the sheriff.~~ as provided for in section 518.03 and direct the person to surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a defendant's permit to carry or permit to purchase, the defendant must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the defendant surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

~~(f) A defendant who is ordered to transfer firearms under paragraph (e) must file proof of transfer as provided for in this paragraph. If the transfer is made to a third party, the third party must sign an affidavit under oath before a notary public either acknowledging that the defendant permanently transferred the defendant's firearms to the third party or agreeing to temporarily store the defendant's firearms until such time as the defendant is legally permitted to possess firearms. The affidavit shall indicate the serial number, make, and model of all firearms transferred by the defendant to the third party. The third party shall acknowledge in the affidavit that the third party may be held criminally and civilly responsible under section 624.7144 if the defendant gains access to a transferred firearm while the firearm is in the custody of the third party. If the transfer is to a law enforcement agency or federally licensed firearms dealer, the law enforcement agency or federally licensed firearms dealer shall provide proof of transfer to the defendant. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and include the name of the defendant, date of transfer, and the serial number, make, and model of all transferred firearms. The defendant shall provide the court with a signed and notarized affidavit or proof of transfer as described in this section within two business days of the firearms transfer. The court shall seal affidavits and proofs of transfer filed pursuant to this paragraph.~~

~~(g)~~ (f) When a person is convicted of harassment or stalking under this section, the court shall determine by a preponderance of the evidence if the person poses an imminent risk of causing another person substantial bodily harm. Upon a finding of imminent risk, the court shall order that the local law enforcement agency take immediate possession of all firearms in the person's possession. ~~The local law enforcement agency shall exercise due care to preserve the quality and function of the defendant's firearms and shall return the firearms to the person upon request after the expiration of the prohibiting time period, provided the person is not otherwise prohibited from possessing firearms under state or federal law. The local law enforcement agency shall, upon written notice from the person, transfer the firearms to a federally licensed firearms dealer or a third party who may lawfully receive them. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the third party or federally licensed firearms dealer receiving the firearm to submit an affidavit or proof of transfer that complies with the requirements for affidavits or proofs of transfer established in paragraph (f). The agency shall file all affidavits or proofs of~~

~~transfer received with the court within two business days of the transfer. The court shall seal all affidavits or proofs of transfer filed pursuant to this paragraph. A federally licensed firearms dealer or third party who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (e) and (f) as if accepting transfer from the defendant. If the law enforcement agency does not receive written notice from the defendant within three business days, the agency may charge a reasonable fee to store the defendant's firearms. A law enforcement agency may establish policies for disposal of abandoned firearms, provided such policies require that the person be notified via certified mail prior to disposal of abandoned firearms.~~

Sec. 9. Minnesota Statutes 2024, section 629.715, subdivision 2, is amended to read:

Subd. 2. **Surrender of firearms.** (a) The judge may order as a condition of release that the person surrender to the local law enforcement agency all firearms, destructive devices, or dangerous weapons owned or possessed by the person, and may not live in a residence where others possess firearms. If ordered to surrender firearms, the person must also surrender all permits to carry and purchase firearms to the court. If the court does not take immediate possession of a person's permit to carry or permit to purchase, the person must surrender the permit to the chief law enforcement officer who issued the permit as required under sections 624.714, subdivision 8, and 624.7131, subdivision 7. If the person surrenders their permits to the chief law enforcement officer, the person must declare that in the proof of transfer or declaration of nonpossession required under section 518B.03, subdivision 3.

(b) Except as otherwise provided for in this section, the surrender of firearms under this section must comply with section 518B.03.

(c) Any firearm, destructive device, or dangerous weapon surrendered under this subdivision shall be inventoried and retained, with due care to preserve its quality and function, by the local law enforcement agency, and must be returned to the person upon the person's acquittal, when charges are dismissed, or if no charges are filed. If the person is convicted, the firearm must be returned when the court orders the return or when the person is discharged from probation and restored to civil rights.

(d) If the person is convicted of a designated offense as defined in section 609.531, the firearm is subject to forfeiture as provided under that section.

(e) This condition may be imposed in addition to any other condition authorized by rule 6.02 of the Rules of Criminal Procedure."

Amend the title numbers 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. 4703: A bill for an act relating to public safety; modifying the processes for applying for, securing, and enforcing extreme risk protection orders; amending Minnesota Statutes 2024, sections 624.7171, subdivisions 1, 4, 5; 624.7172; 624.7173; 624.7174; 624.7175; 624.7176, subdivision 1; 624.7177, subdivision 2; 624.7178, subdivisions 1, 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 2024, section 624.7171, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in sections 624.7171 to 624.7178, the following terms have the meanings given.

(b) "Family or household members" ~~means:~~ has the meaning given in section 518B.01, subdivision 2, paragraph (b).

~~(1) spouses and former spouses of the respondent;~~

~~(2) parents and children of the respondent;~~

~~(3) persons who are presently residing with the respondent; or~~

~~(4) a person involved in a significant romantic or sexual relationship with the respondent.~~

~~In determining whether persons are in a significant romantic or sexual relationship under clause (4), the court shall consider the length of time of the relationship; type of relationship; and frequency of interaction between the parties.~~

(c) "Firearm" has the meaning given in section 609.666, subdivision 1, paragraph (a).

(d) "Mental health professional" has the meaning given in section 245I.02, subdivision 27.

Sec. 2. Minnesota Statutes 2024, section 624.7171, subdivision 4, is amended to read:

Subd. 4. **Generally.** (a) There shall exist an action known as a petition for an extreme risk protection order, which order shall enjoin and prohibit the respondent from possessing or purchasing firearms for as long as the order remains in effect.

(b) A petition for relief under sections 624.7171 to 624.7178 may be made by ~~the chief~~ a law enforcement ~~officer, the chief law enforcement officer's designee~~ agency, a city or county ~~attorney~~ attorney's office, any family or household members of the respondent, or a guardian, as defined in section 524.1-201, clause ~~(27)~~ (28), of the respondent. The respondent may also petition on their own behalf.

(c) A petition for relief shall allege that the respondent poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm. The petition shall be accompanied by an affidavit made under oath stating specific facts and circumstances forming a basis to allege that an extreme risk protection order should be granted. The affidavit may include but is not limited to evidence showing any of the factors described in section 624.7172, subdivision 2.

(d) A petition for emergency relief under section 624.7174 shall additionally allege that the respondent presents an immediate and present danger of either bodily harm to others or of taking their life.

(e) A petition for relief must describe, to the best of the petitioner's knowledge, the types and location of any firearms believed by the petitioner to be possessed by the respondent.

(f) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(g) The state court administrator shall create all forms necessary under sections 624.7171 to 624.7178.

(h) The filing fees for an extreme risk protection order under this section are waived for the petitioner and respondent. The court administrator, the sheriff of any county in this state, and other law enforcement and corrections officers shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff or other law enforcement or corrections officer is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01.

(i) The court shall advise the petitioner of the right to serve the respondent by alternate notice under section 624.7172, subdivision 1, paragraph (e), if the respondent is avoiding personal service by concealment or otherwise, and shall assist in the writing and filing of the affidavit.

(j) The court shall advise the petitioner of the right to request a hearing under section 624.7174. If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner by mail at least five days before the hearing.

(k) Any proceeding under sections 624.7171 to 624.7178 shall be in addition to other civil or criminal remedies and does not restrict or limit a law enforcement agency's legal authority to respond to exigent circumstances.

(l) All health records and other health information provided in a petition or considered as evidence in a proceeding under sections 624.7171 to 624.7178 shall be protected from public disclosure but may be provided to law enforcement agencies as described in this section.

(m) Any extreme risk protection order or subsequent extension issued under sections 624.7171 to 624.7178 shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the respondent and electronically transmitted within three business days to the National Instant Criminal Background Check System. When an order expires or is terminated by the court, the court must submit a request that the order be removed from the National Instant Background Check System. Each appropriate law enforcement agency shall make available to other law enforcement officers, through a system for verification, information as to the existence and status of any extreme risk protection order issued under sections 624.7171 to 624.7178.

(n) A judge shall consider a petition for emergency relief under section 624.7174 when presented to the judge by a chief law enforcement officer or the chief's designee.

Sec. 3. Minnesota Statutes 2024, section 624.7171, subdivision 5, is amended to read:

Subd. 5. **Mental health professionals.** When a mental health professional has a statutory duty to warn another of a client's serious threat of physically violent behavior or determines that a client presents a significant risk of suicide by possessing a firearm, the mental health professional must communicate the threat or risk to the ~~sheriff of the county~~ law enforcement agency with primary jurisdiction over where the client resides and make a recommendation ~~to the sheriff~~ regarding the client's fitness to possess firearms.

Sec. 4. Minnesota Statutes 2024, section 624.7172, is amended to read:

624.7172 EXTREME RISK PROTECTION ORDERS ISSUED AFTER HEARING.

Subdivision 1. **Hearing.** (a) Upon receipt of the petition for an order after a hearing, the court must schedule and hold a hearing within 14 days from the date the petition was received.

(b) The court shall advise the petitioner of the right to request an emergency extreme risk protection order under section 624.7174 separately from or simultaneously with the petition under this subdivision.

(c) ~~The~~ A petitioning law enforcement agency shall be responsible for the service of an extreme risk protection order issued by the court and shall further be the agency responsible for the execution of any legal process required for the seizure and storage of firearms subject to the order. ~~Nothing in this provision limits the ability of the law enforcement agency of record from cooperating with other law enforcement entities. When a court issues an extreme risk protection order for a person who resides on Tribal territory, the chief law enforcement officer of the law enforcement agency responsible for serving the order must request the assistance and counsel of the appropriate Tribal police department prior to serving the respondent. When the petitioner is a family or household member of the respondent, the primary law enforcement agency serving the jurisdiction of residency of the respondent shall be responsible for the execution of any legal process required for the seizure and storage of firearms subject to the order.~~ When the petitioner is a city or county attorney's office or a family or household member of the respondent, the primary law enforcement agency with jurisdiction of residency of the respondent shall be responsible for the service of an extreme risk protection order issued by the court and shall further be the agency responsible for the execution of any legal process required for the seizure and storage of firearms subject to the order. Nothing in this provision limits the ability of the law enforcement agency of record from cooperating with other law enforcement entities. When a court issues an extreme risk protection order for a person who resides on Tribal territory, the chief law enforcement officer of the law enforcement agency responsible for serving the order must request the assistance and counsel of the appropriate Tribal police department prior to serving the respondent.

(d) ~~Personal service of notice for the hearing may be made upon the respondent at any time up to 48 hours prior to the time set for the hearing, provided that~~ The respondent ~~at the hearing~~ may request a continuance of up to 14 days if the respondent is served less than five days prior to the hearing~~, which~~. The continuance shall be granted unless there are compelling reasons not to do so. If the court grants the requested continuance, and an existing emergency order under section 624.7174 will expire due to the continuance, the court shall also issue a written order continuing the emergency order pending the new time set for the hearing.

(e) If personal service cannot be made, the court may order service of the petition and any order issued under this section by alternate means. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons. The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent. The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

(f) ~~When a petitioner who is not the sheriff of the county where the respondent resides, the sheriff's designee, or a family or household member files a petition, the petitioner must provide notice of the action to the sheriff of the county where the respondent resides. When a family or household member is the petitioner,~~ The court must provide notice of the action to the sheriff of the county where the respondent resides.

(g) Except as otherwise required in section 624.7174, paragraph (f), an order issued pursuant to this section can be served on the respondent electronically or by first class mail.

Subd. 2. **Relief by court.** (a) At the hearing, the petitioner must prove by clear and convincing evidence that the respondent poses a significant danger to other persons or is at significant risk of suicide by possessing a firearm.

(b) In determining whether to grant the order after a hearing, the court shall consider evidence of the following, whether or not the petitioner has provided evidence of the same:

(1) a history of threats or acts of violence by the respondent directed toward another person;

(2) the history of use, attempted use, or threatened use of physical force by the respondent against another person;

(3) a violation of any court order, including but not limited to orders issued under sections 609.748 or 624.7171 to 624.7178 or chapter 260C or 518B;

(4) a prior arrest for a violent felony offense;

(5) a conviction or prior arrest for a violent misdemeanor offense, for a stalking offense under section 609.749, or for domestic assault under section 609.2242;

(6) a ~~conviction for an offense~~ history of cruelty to animals ~~under chapter 343~~;

(7) the unlawful and reckless use, display, or brandishing of a firearm by the respondent;

(8) suicide attempts by the respondent or a serious mental illness; and

(9) whether the respondent is named in an existing order in effect under sections 609.748 or 624.7171 to 624.7178 or chapter 260C or 518B~~, or party to a pending lawsuit, complaint, petition, or other action under sections 624.7171 to 624.7178 or chapter 518B~~.

(c) In determining whether to grant the order after a hearing, the court may:

(1) subpoena peace officers who have had contact with the respondent to provide written or sworn testimony regarding the officer's contacts with the respondent; and

(2) consider any other evidence that bears on whether the respondent poses a danger to others or is at risk of suicide.

(d) If the court finds there is clear and convincing evidence to issue an extreme risk protection order, the court shall issue the order prohibiting the person from possessing or purchasing a firearm for the duration of the order. The court shall inform the respondent that the respondent is prohibited from possessing or purchasing firearms and shall ~~issue a~~ order the respondent to transfer ~~order under~~ their firearms pursuant to section 624.7175. The court shall also give notice to the county attorney's office, which may take action as it deems appropriate.

(e) The court shall determine the length of time the order is in effect, but may not set the length of time for less than six months or more than one year. Unless a period longer than one year is agreed upon by the respondent, orders are subject to renewal or extension under section 624.7173.

(f) If there is no existing emergency order under section 624.7174 at the time an order is granted under this section, the court shall determine by clear and convincing evidence whether the respondent presents an immediate and present danger of bodily harm. If the court so determines, the court shall order the respondent to transfer ~~order shall include the provisions~~ their firearms as described in section 624.7175, paragraph (d).

(g) If, after a hearing, the court does not issue an ~~order of protection~~ extreme risk protection order, the court shall vacate any emergency extreme risk protection order currently in effect.

(h) A respondent may waive the respondent's right to contest the hearing and consent to the court's imposition of an extreme risk protection order. ~~The court shall seal the petition filed under this section and section 624.7174 if a respondent who consents to imposition of an extreme risk protection order requests that the petition be sealed, unless the court finds that there is clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the respondent of not sealing the petition. All extreme risk protection orders based on the respondent being a danger to others shall remain public. Extreme risk protection orders issued for respondents who are solely at risk of suicide shall not be public.~~

(i) If a party requests, the court shall consider whether a guardian ad litem should be appointed pursuant to rule 17.02 of the Rules of Civil Procedure for the respondent.

Sec. 5. Minnesota Statutes 2024, section 624.7173, is amended to read:

624.7173 SUBSEQUENT EXTENSIONS AND TERMINATION.

(a) Upon application by any party entitled to petition for an order under section 624.7172, and after notice to the respondent and a hearing, the court may extend the relief granted in ~~an~~ the existing order ~~granted after a hearing under section 624.7172~~. Application for an extension may be made any time within the three months before the expiration of the existing order. The court may extend the order if the court ~~makes the same findings~~ finds by clear and convincing evidence ~~as required for granting of an initial order under section 624.7172, subdivision 2, paragraph (d)~~ the respondent still poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm. The minimum length ~~of time~~ of an extension is six months and the maximum length of time of an extension is one year. The court shall consider the same types of evidence as required for the initial order under section 624.7172, subdivision 2, paragraphs (b) and (c).

(b) An extreme risk protection order may be extended for a period of up to five years, if the court finds by clear and convincing evidence the respondent still poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm and:

(1) the respondent has violated a prior or existing extreme risk protection order on two or more occasions; or

(2) the respondent is or has been subject to two or more extreme risk protection orders.

~~(b)~~ (c) Upon application by the respondent to an order issued under section 624.7172, the court may ~~terminate~~ vacate an order after a hearing at which the respondent shall bear the burden of proving by clear and convincing evidence that the respondent does not pose a significant danger to other persons or is at significant risk of suicide by possessing a firearm. Application ~~for termination~~ to vacate may be made one time ~~for~~ every six months an order is in effect. If an order has been issued for a period of six months, the respondent may apply ~~for termination~~ to vacate one time. If the court finds that the respondent has not met the burden of proof, the court shall deny the request and no request may be made to vacate the extreme risk protection order until six months have elapsed from the date of denial.

Sec. 6. Minnesota Statutes 2024, section 624.7174, is amended to read:

624.7174 EMERGENCY ISSUANCE OF EXTREME RISK PROTECTION ORDER.

(a) In determining whether to grant an emergency extreme risk protection order, the court shall consider evidence of all facts identified in section 624.7172, subdivision 2, paragraphs (b) and (c).

(b) The court shall advise the petitioner of the right to request an order after a hearing under section 624.7172 separately from or simultaneously with the petition.

(c) If the court finds there is probable cause that (1) the respondent poses a significant danger of bodily harm to other persons or is at significant risk of suicide by possessing a firearm, and (2) the respondent presents an immediate and present danger of either bodily harm to others or of taking their life, the court shall issue an ex parte emergency order prohibiting the respondent from possessing or purchasing a firearm for the duration of the order. The order shall inform the respondent that the respondent is prohibited from possessing or purchasing firearms and shall ~~issue a~~ order the respondent to transfer ~~order under~~ their firearms pursuant to section 624.7175, paragraph (d).

(d) A finding by the court that there is a basis for issuing an emergency extreme risk protection order constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(e) The emergency order shall have a fixed period of 14 days unless a hearing is set under section 624.7172 on an earlier date, in which case the order shall expire upon a judge's finding that no order is issued under section 624.7172.

(f) Except as provided in paragraph (g), the respondent shall be personally served immediately with a copy of the emergency order and a copy of the petition and, if a hearing is requested by the petitioner under section 624.7172, notice of the date set for the hearing. If the petitioner does not request a hearing under section 624.7172, the respondent has a right to request a hearing within five days of service of the order. An order served on a respondent under this section must include a notice advising the respondent of the right to request a hearing challenging the issuance of the emergency order, ~~and~~ must be accompanied by a form that can be used by the respondent to request a hearing, and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(g) Service of the emergency order may be made by alternate service as provided under section 624.7172, subdivision 1, paragraph (e), provided that the petitioner files the affidavit required under that subdivision. If the petitioner does not request a hearing under section 624.7172, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing described in paragraph (f).

Sec. 7. Minnesota Statutes 2024, section 624.7175, is amended to read:

624.7175 TRANSFER OF FIREARMS.

(a) Except as otherwise provided in this paragraph or as provided in paragraph (b), upon issuance of an extreme risk protection order, the court shall direct the respondent to transfer any firearms the person possesses as soon as reasonably practicable, but in no case later than 24 hours, to a federally licensed firearms dealer ~~or~~, a law enforcement agency, or a third party who may lawfully receive them. When a peace officer presents a respondent with a search warrant issued pursuant to paragraph (d), the respondent must surrender all firearms in the respondent's possession to the peace officer immediately. If the respondent elects to transfer the respondent's firearms to a law enforcement agency, the agency must accept the transfer. The transfer may be permanent or temporary. A temporary firearm transfer only entitles the receiving party to possess the firearm and does not transfer ownership or title. The respondent may not transfer the firearms to a third party who resides with the respondent. If the respondent makes a temporary transfer to a federally licensed firearms dealer, the dealer may charge the respondent a reasonable fee to store the firearms. If the temporary transfer is made to a law enforcement agency, the agency may not charge the respondent any storage or other associated fee. A dealer or agency ~~may~~ shall establish policies for disposal of abandoned firearms~~, provided~~. These policies ~~require~~ must provide that the respondent be notified prior to disposal of abandoned firearms. ~~If a respondent permanently transfers the respondent's firearms to a law enforcement agency, the agency must compensate the respondent at fair market value and may not charge the respondent any processing or other fees.~~

(b) A person directed to transfer any firearms pursuant to paragraph (a) may transfer any antique firearm, as defined in United States Code, title 18, section 921, paragraph (a), clause (16), as amended, or a curio or relic as defined in Code of Federal Regulations, title 27, section 478.11, as amended, to a relative who does not live with the respondent after confirming that the relative may lawfully own ~~or~~ and possess a firearm.

(c) The respondent must file proof of transfer with the court as provided in this paragraph.

(1) A law enforcement agency ~~or~~, federally licensed firearms dealer, or third party accepting transfer of a firearm pursuant to this section shall provide proof of transfer to the respondent. The proof of transfer must specify whether the firearms were permanently or temporarily transferred and must include the name of the respondent, date of transfer, and the serial number, manufacturer, and model of all transferred firearms. ~~If transfer is made to a federally licensed firearms dealer,~~ The respondent shall, within two business days after being served with the order, file a copy of proof of transfer with the ~~law enforcement agency~~ court and attest that all firearms owned or possessed at the time of the order have been transferred in accordance with this section and that the person currently does not possess any firearms. If the respondent claims not to own or possess firearms, the respondent shall file a declaration of nonpossession with the ~~law enforcement agency~~ court attesting that, at the time of the order, the respondent neither owned nor possessed any firearms, and that the respondent currently neither owns nor possesses any firearms. If the transfer is made to a relative pursuant to paragraph (b), the relative must sign an affidavit under oath before a notary public either acknowledging that the respondent permanently transferred the respondent's antique firearms, curios, or relics to the relative or agreeing to temporarily store the respondent's antique firearms, curios, or relics until such time as the respondent is legally permitted to possess firearms. To the extent possible, the affidavit shall indicate the serial number, make, and model of all antique firearms, curios, or relics transferred by the respondent to the relative.

(2) The court shall ~~seal~~ make confidential affidavits, proofs of transfer, and declarations of nonpossession filed pursuant to this paragraph.

(d) If a court issues an emergency order under section 624.7174, or makes a finding of immediate and present danger under section 624.7172, subdivision 2, paragraph (f), and there is probable cause to believe the respondent possesses firearms, the court shall issue a search warrant ~~to the local law enforcement agency~~ to take possession of all firearms ~~in~~ the ~~respondent's possession~~ respondent possesses or owns as soon as practicable. The ~~chief law enforcement officer, or the chief's designee,~~ officer or officers tasked with serving the search warrant shall notify the respondent of the option to voluntarily comply with the order by surrendering the respondent's firearms to law enforcement prior to execution of the search warrant. Only if the respondent refuses to voluntarily comply with the order to surrender the respondent's firearms shall the officer or officers tasked with serving the search warrant execute the warrant.

(e) If the respondent voluntarily agrees to comply with the order by surrendering the respondent's firearms to law enforcement prior to execution of the search warrant, the respondent will be immune from criminal prosecution for unlawful possession of the firearms under section 624.713.

(f) The local law enforcement agency shall, upon written notice from the respondent, transfer the firearms to a federally licensed firearms dealer. Before a local law enforcement agency transfers a firearm under this paragraph, the agency shall require the federally licensed firearms dealer

receiving the firearm to submit a proof of transfer that complies with the requirements for proofs of transfer established in paragraph (c). The ~~agency shall file~~ respondent is responsible for filing all proofs of transfer received ~~by~~ with the court within two business days of the transfer. A federally licensed firearms dealer who accepts a firearm transfer pursuant to this paragraph shall comply with paragraphs (a) and (c) as if accepting transfer directly from the respondent. ~~A law enforcement agency may establish policies for disposal of abandoned firearms, provided these policies require that the respondent be notified prior to disposal of abandoned firearms.~~

(g) The respondent may sell their firearms while subject to an extreme risk protection order. The sale of firearms by the respondent must comply with paragraph (f).

Sec. 8. Minnesota Statutes 2024, section 624.7176, subdivision 1, is amended to read:

Subdivision 1. **Law enforcement.** A local law enforcement agency that accepted temporary transfer of firearms under section 624.7175 shall return the firearms to the respondent after the expiration of the order, provided the respondent is not otherwise prohibited from possessing firearms under state or federal law and the respondent lawfully possessed the firearms prior to surrendering the firearms.

Sec. 9. Minnesota Statutes 2024, section 624.7176, subdivision 2, is amended to read:

Subd. 2. **Firearms dealer or third party.** A federally licensed firearms dealer or third party that accepted temporary transfer of firearms under section 624.7175 shall return the transferred firearms to the respondent upon request after the expiration of the order, provided the respondent is not otherwise prohibited from possessing firearms under state or federal law. A federally licensed firearms dealer returning firearms shall comply with state and federal law as though transferring a firearm from the dealer's own inventory.

Sec. 10. Minnesota Statutes 2024, section 624.7177, subdivision 2, is amended to read:

Subd. 2. **Violation of order.** A person who possesses a firearm and knows or should have known that the person is prohibited from doing so by an extreme risk protection order under section 624.7172 or 624.7174, or by an ~~order of protection~~ extreme risk protection order granted by a judge or referee pursuant to a substantially similar law of another state, is guilty of a misdemeanor and shall be prohibited from possessing firearms for a period of five years. Each extreme risk protection order granted under this chapter must contain a conspicuous notice to the respondent regarding the penalty for violation of the order.

Sec. 11. Minnesota Statutes 2024, section 624.7178, subdivision 1, is amended to read:

Subdivision 1. **Liability protection for petition.** A chief law enforcement officer, the chief law enforcement officer's designee, ~~or~~ a law enforcement agency, a city or county attorney, or a city or county attorney's office who, in good faith, decides not to petition for an extreme risk protection order or emergency extreme risk protection order shall be immune from criminal or civil liability.

Sec. 12. Minnesota Statutes 2024, section 624.7178, subdivision 4, is amended to read:

Subd. 4. **Liability protection for mental health professionals.** A mental health professional who provides notice to the ~~sheriff~~ law enforcement agency under section 624.7171, subdivision 5,

is immune from monetary liability and no cause of action, or disciplinary action by the person's licensing board may arise against the mental health professional for disclosure of confidences to the ~~sheriff~~ law enforcement agency, for failure to disclose confidences to the ~~sheriff~~ law enforcement agency, or for erroneous disclosure of confidences to the ~~sheriff~~ law enforcement agency in a good faith effort to warn against or take precautions against a client's violent behavior or threat of suicide."

Amend the title numbers 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. 3173: A bill for an act relating to housing; prohibiting private equity company ownership of single-family homes; providing attorney general enforcement; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 500.

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

Page 2, after line 30, insert:

"Subd. 3. **Exemption; disclosure.** (a) This section does not apply to a private equity company with an ownership interest in fewer than 100 single-family homes.

(b) A private equity company must not have an interest in or receive a benefit from a private equity company that is subject to the exemption under paragraph (a).

(c) A private equity company subject to the exemption under paragraph (a) must, upon request, disclose the following to the attorney general:

(1) a description of all persons with an interest in or affiliated with the private equity company;

(2) a description of all persons receiving a benefit from the private equity company;

(3) a description of all homes the private equity company owns in Minnesota; and

(4) any other financial disclosures requested by the attorney general."

Renumber the subdivisions in sequence

Amend the title as follows:

Page 1, line 2, delete "prohibiting" and insert "limiting"

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. 2233: A bill for an act relating to public safety; establishing the Task Force on Establishing a Yellow Alert System; requiring a report; appropriating money.

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

Page 2, lines 17 and 23, delete "2025" and insert "2026"

Page 3, lines 18 and 26, delete "2026" and insert "2027"

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

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

S.F. No. 4602: A bill for an act relating to civil law; requiring notification to a petitioner upon service of a harassment restraining order; amending Minnesota Statutes 2024, section 609.748, 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. 4735: A bill for an act relating to public safety; modifying criminal sentencing in cases involving age deception; amending Minnesota Statutes 2024, section 244.10, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Senator Hoffman from the Committee on Human Services, to which was referred

S.F. No. 476: A bill for an act relating to human services; expanding certain medical assistance services to include coverage of care evaluations; modifying medical assistance rates for homemaker services, home health agency services, and home care nursing services; establishing a home care preceptor grant program; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 256B.0651, subdivisions 1, 2; 256B.0652, subdivision 11; 256B.0653, subdivisions 1, 6, by adding a subdivision; 256B.0654, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONTINUITY OF CARE

Section 1. Minnesota Statutes 2024, section 245D.10, subdivision 3, is amended to read:

Subd. 3. **Service suspension.** (a) The license holder must establish policies and procedures for temporary service suspension that promote continuity of care and service coordination with the person and the case manager and with other licensed caregivers, if any, who also provide support to the person. The policy must include the requirements specified in paragraphs (b) to (f).

(b) The license holder must limit temporary service suspension to situations in which:

(1) the person's conduct poses an imminent risk of physical harm to self or others and either positive support strategies have been implemented to resolve the issues leading to the temporary service suspension but have not been effective and additional positive support strategies would not achieve and maintain safety, or less restrictive measures would not resolve the issues leading to the suspension;

(2) the person has emergent medical issues that exceed the license holder's ability to meet the person's needs; or

(3) the program has not been paid for services, except an interruption to the person's public benefits that has lasted less than 60 days does not constitute nonpayment.

(c) Prior to giving notice of temporary service suspension, the license holder must document actions taken to minimize or eliminate the need for service suspension. Action taken by the license holder must include, at a minimum:

(1) consultation with the person's support team or expanded support team to identify and resolve issues leading to issuance of the notice; and

(2) a request to the case manager for intervention services identified in section 245D.03, subdivision 1, paragraph (c), clause (1), or other professional consultation or intervention services to support the person in the program. This requirement does not apply to temporary suspensions issued under paragraph (b), clause (3).

If, based on the best interests of the person, the circumstances at the time of the notice were such that the license holder was unable to take the action specified in clauses (1) and (2), the license holder must document the specific circumstances and the reason for being unable to do so.

(d) The notice of temporary service suspension must meet the following requirements:

(1) the license holder must notify the person or the person's legal representative and case manager in writing of the intended temporary service suspension. If the temporary service suspension is from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), or from integrated community supports as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), the license holder must also notify the commissioner in writing;

(2) notice of temporary service suspension must be given on the first day of the service suspension; and

(3) the notice must include the reason for the action, a summary of actions taken to minimize or eliminate the need for temporary service suspension as required under ~~this paragraph~~ paragraph (c), and why these measures failed to prevent the suspension.

(e) During the temporary suspension period, the license holder must:

(1) provide information requested by the person or case manager;

(2) work with the support team or expanded support team to develop reasonable alternatives to protect the person and others and to support continuity of care; and

(3) maintain information about the service suspension, including the written notice of temporary service suspension, in the service recipient record.

(f) If, based on a review by the person's support team or expanded support team, that team determines the person no longer poses an imminent risk of physical harm to self or others, the person has a right to return to receiving services. If, at the time of the service suspension or at any time during the suspension, the person is receiving treatment related to the conduct that resulted in the service suspension, the support team or expanded support team must consider the recommendation of the licensed health professional, mental health professional, or other licensed professional involved in the person's care or treatment when determining whether the person no longer poses an imminent risk of physical harm to self or others and can return to the program. If the support team or expanded support team makes a determination that is contrary to the recommendation of a licensed professional treating the person, the license holder must document the specific reasons why a contrary decision was made.

Sec. 2. Minnesota Statutes 2025 Supplement, section 245D.10, subdivision 3a, is amended to read:

Subd. 3a. **Service termination.** (a) The license holder must establish policies and procedures for service termination that promote continuity of care and service coordination with the person and the case manager and with other licensed caregivers, if any, who also provide support to the person. The policy must include the requirements specified in paragraphs (b) to (f).

(b) The license holder must permit each person to remain in the program or to continue receiving services and must not terminate services unless:

(1) the termination is necessary for the person's welfare and the license holder cannot meet the person's needs;

(2) the safety of the person, others in the program, or staff is endangered and positive support strategies were attempted and have not achieved and effectively maintained safety for the person or others;

(3) the health of the person, others in the program, or staff would otherwise be endangered;

(4) the license holder has not been paid for services, except an interruption to a person's public benefits that has lasted less than 60 days does not constitute nonpayment;

(5) the program or license holder ceases to operate;

(6) the person has been terminated by the lead agency from waiver eligibility; or

(7) for state-operated community-based services, the person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 246C.11, subdivision 4a, paragraph (a), clause (1).

(c) Prior to giving notice of service termination, the license holder must document actions taken to minimize or eliminate the need for termination. Action taken by the license holder must include, at a minimum:

(1) consultation with the person's support team or expanded support team to identify and resolve issues leading to issuance of the termination notice;

(2) a request to the case manager for intervention services identified in section 245D.03, subdivision 1, paragraph (c), clause (1), or other professional consultation or intervention services to support the person in the program. This requirement does not apply to notices of service termination issued under paragraph (b), clauses (4) and (7); and

(3) for state-operated community-based services terminating services under paragraph (b), clause (7), the state-operated community-based services must engage in consultation with the person's support team or expanded support team to:

(i) identify that the person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 246C.11, subdivision 4a, paragraph (a), clause (1);

(ii) provide notice of intent to issue a termination of services to the lead agency when a finding has been made that a person no longer demonstrates complex behavioral needs that cannot be met by private community-based providers identified in section 246C.11, subdivision 4a, paragraph (a), clause (1);

(iii) assist the lead agency and case manager in developing a person-centered transition plan to a private community-based provider to ensure continuity of care; and

(iv) coordinate with the lead agency to ensure the private community-based service provider is able to meet the person's needs and criteria established in a person's person-centered transition plan.

If, based on the best interests of the person, the circumstances at the time of the notice were such that the license holder was unable to take the action specified in clauses (1) and (2), the license holder must document the specific circumstances and the reason for being unable to do so.

(d) The notice of service termination must meet the following requirements:

(1) the license holder must notify the person or the person's legal representative and the case manager in writing of the intended service termination. If the service termination is from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), or from integrated community supports as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), the license holder must also notify the commissioner in writing; and

(2) the notice must include:

(i) the reason for the action;

(ii) except for a service termination under paragraph (b), clause (5), a summary of actions taken to minimize or eliminate the need for service termination or temporary service suspension as required under paragraph (c), and why these measures failed to prevent the termination or suspension;

(iii) the person's right to appeal the termination of services under section 256.045, subdivision 3, paragraph (a); and

(iv) the person's right to seek a temporary order staying the termination of services according to the procedures in section 256.045, subdivision 4a or 6, paragraph (c).

(e) Notice of the proposed termination of service, including those situations that began with a temporary service suspension, must be given at least 90 days prior to termination of services under paragraph (b), clause (7), 60 days prior to termination when a license holder is providing intensive supports and services identified in section 245D.03, subdivision 1, paragraph (c), or integrated community supports as defined in section 245D.03, subdivision 1, paragraph (c), clause (8), and 30 days prior to termination for all other services licensed under this chapter. This notice may be given in conjunction with a notice of temporary service suspension under subdivision 3.

(f) During the service termination notice period, the license holder must:

(1) work with the support team or expanded support team to develop reasonable alternatives to protect the person and others and to support continuity of care;

(2) provide information requested by the person or case manager; and

(3) maintain information about the service termination, including the written notice of intended service termination, in the service recipient record.

(g) For notices issued under paragraph (b), clause (7), the lead agency shall provide notice to the commissioner and the Direct Care and Treatment executive board at least 30 days before the conclusion of the 90-day termination period, if an appropriate alternative provider cannot be secured. Upon receipt of this notice, the commissioner and the executive board shall reassess whether a private community-based service can meet the person's needs. If the commissioner determines that a private provider can meet the person's needs, the executive board shall, if necessary, extend notice of service termination until placement can be made. If the commissioner determines that a private provider cannot meet the person's needs, the executive board shall rescind the notice of service termination and re-engage with the lead agency in service planning for the person.

(h) For state-operated community-based services, the license holder shall prioritize the capacity created within the existing service site by the termination of services under paragraph (b), clause (7), to serve persons described in section 246C.11, subdivision 4a, paragraph (a), clause (1).

Sec. 3. **[245D.121] INTEGRATED COMMUNITY SUPPORTS; HOUSING ACCOUNTS REQUIRED.**

(a) If payment passes between the license holder or any controlling individual of a licensed program and a service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a living unit in a multifamily housing building where the license holder delivers integrated community supports and owns, leases, or has a direct or indirect financial relationship with the property owner, the license holder must for each service recipient:

(1) keep accurate accounts of all money the license holder receives from the service recipient or an entity acting on the service recipient's behalf;

(2) deposit all money received in a service recipient specific-account or subaccount dedicated to receiving and paying each service recipient's housing costs directly to the property owner, even if the property owner is the license holder;

(3) provide monthly and upon demand to the service recipient, or the entity acting on the service recipient's behalf, a statement of the amount of all money received from the service recipient or entity acting on the service recipient's behalf, all money deposited in the service recipient's account, and all withdrawals made from the service recipient's account;

(4) provide upon demand the same information described in clause (3) to the service recipient's case manager; and

(5) provide upon demand the same information described in clause (3) to the commissioner.

(b) The money in the service recipient's account must be used exclusively for expenses associated with the service recipient obtaining or maintaining a living unit in a multifamily housing building.

(c) This section continues to apply when a service recipient chooses to not receive services from the license holder but continues to make payments to the license holder for the purposes of obtaining or maintaining a living unit.

(d) The license holder must comply with the requirements of section 245A.04, subdivision 13.

Sec. 4. **[256B.045] CONTINUITY OF CARE.**

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

(b) "Lead agency" means a county, Tribe, or managed care organization.

(c) "Residential services and supports" means any of the following services as defined in the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, or elderly waiver plans:

(1) 24-hour customized living services;

(2) community residential services;

(3) customized living services;

(4) family residential services; and

(5) integrated community supports.

Subd. 2. **Department of Human Services continuity of care team; establishment.** To ensure the continuity of care of older adults and people with disabilities receiving residential services and supports following the imposition of a payment withhold under section 256B.064, subdivision 2, the commissioner must establish and maintain a continuity of care team. Within existing resources, the commissioner must ensure the continuity of care team always has sufficient staff capacity and resources for timely compliance with the requirements of this subdivision.

Subd. 3. **Department of Human Services continuity of care team; duties.** (a) Upon notice from the commissioner under section 256B.064, subdivision 2, paragraph (i), that the commissioner intends to impose a payment withhold on a provider of residential services and supports, the continuity of care team must:

(1) identify all the provider's clients whose services might be affected by the payment withhold the commissioner intends to impose, including all clients paying for services from a source other than medical assistance;

(2) for each identified client, identify the lead agency responsible for providing case management or care coordination to the client;

(3) for each identified client, identify the client's case manager or care coordinator; and

(4) for each identified client, develop an initial profile of the client containing the team's expectations regarding the services and supports the client is likely to require if the commissioner's imposition of a payment withhold upon the provider puts the continuity of care of the provider's clients at risk or poses a risk that the provider's clients will need to transition to a new service provider or service setting.

After the team has completed the tasks identified in clauses (1) to (4), the team must inform the commissioner that the team is prepared to intervene on behalf of each identified client immediately upon imposition of the payment withhold.

(b) Upon imposition of the payment withhold, the continuity of care team must for each identified client:

(1) inform the Office of the Ombudsman for Long-Term Care, the Office of the Ombudsman for Mental Health and Developmental Disabilities, and the Office of the Ombudsperson for Public Managed Care Health Care Programs, and the lead agency that the client's services may be disrupted by actions taken by the commissioner under section 256B.064, subdivision 2, and that the lead agency must comply with the requirements of subdivision 4;

(2) directly inform each identified client's case manager or care coordinator that the client's services may be disrupted by actions taken by the commissioner under section 256B.064, subdivision 2; that the continuity of care team is prepared to offer assistance to ensure the client's continuity of care; and that the case manager must comply with the requirements of subdivision 4; and

(3) directly inform each identified client that the client's services may be disrupted by actions taken by the commissioner under section 256B.064, subdivision 2, and that the lead agency, the client's case manager, and the continuity of care team are already taking steps to develop contingency plans in the event the client's services are disrupted.

Subd. 4. **Continuity of care team and lead agency shared duties.** (a) This subdivision applies to all lead agencies regardless of whether a lead agency provides case management directly or under contract.

(b) The continuity of care team and the lead agencies must cooperate and coordinate with the clients' case managers to:

(1) closely monitor services delivered to identified clients of providers subject to a payment withhold; and

(2) develop person-centered contingency plans for alternative services, service providers, and service settings in the event a client's services are disrupted.

(c) If a lead agency fails to develop or implement a person-centered contingency plan that ensures timely transition to alternative services, service provider, or service setting, the continuity of care team must directly intervene and directly provide case management to the client at the lead agency's expense. The lead agency and the client's case manager must fully cooperate and assist the continuity of care team in the provision of case management services at the lead agency's expense.

(d) If the lead agency or the continuity of care team does not identify alternative services, service provider, or service setting, the continuity of care team must notify the commissioner and the commissioner of health, if applicable, and recommend that:

(1) the commissioner of human services either determine there is a good cause under Code of Federal Regulations, title 42, section 455.23(e) or (f), to not suspend payments under section 256B.064, subdivision 2, or petition the district court of Ramsey County under section 245A.13; or

(2) the commissioner of health bring an action under section 144G.20, subdivision 21.

(e) If the commissioner does not follow the recommendations of the continuity of care team identified in paragraph (d) within 30 days of receipt of the recommendations, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over human services of the commissioner's decision and include in the notice an explanation of the commissioner's rejection of the recommendations, the number of clients who will lose services as a result of the commissioner's decision, and the likely outcomes for the clients who will lose services.

Subd. 5. **Provider duties.** (a) The provider must fully cooperate with the lead agency and the continuity of care team to effectuate a coordinated transfer or coordinated move for each client who requires a new provider.

(b) Nothing in this section absolves a provider of its obligations under chapters 144G, 245A, and 245D with respect to service suspensions, service terminations, contract terminations, and coordinated moves. The commissioner of health and the commissioner of human services may impose any sanctions available under law for violations of a licensing requirement even if the provider complies with paragraph (a).

Sec. 5. Minnesota Statutes 2024, section 256B.064, subdivision 2, is amended to read:

Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall determine any monetary amounts to be recovered and sanctions to be imposed upon an individual or entity under this section. Except as provided in paragraphs (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner without prior notice and an opportunity for a hearing, according to chapter 14, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to an individual or entity, except a nursing home or convalescent care facility, after notice and prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

(b) Except when the commissioner finds good cause not to suspend payments under Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner shall withhold or reduce payments to an individual or entity without providing advance notice of such withholding or reduction if either of the following occurs:

(1) the individual or entity is convicted of a crime involving the conduct described in subdivision 1a; or

(2) the commissioner determines there is a credible allegation of fraud for which an investigation is pending under the program. Allegations are considered credible when they have an indicium of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of fraud is an allegation which has been verified by the state, from any source, including but not limited to:

(i) fraud hotline complaints;

(ii) claims data mining; and

(iii) patterns identified through provider audits, civil false claims cases, and law enforcement investigations.

(c) The commissioner must send notice of the withholding or reduction of payments under paragraph (b) within five days of taking such action unless requested in writing by a law enforcement agency to temporarily withhold the notice. The notice must:

(1) state that payments are being withheld according to paragraph (b);

(2) set forth the general allegations as to the nature of the withholding action, but need not disclose any specific information concerning an ongoing investigation;

(3) except in the case of a conviction for conduct described in subdivision 1a, state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated;

(4) identify the types of claims to which the withholding applies; and

(5) inform the individual or entity of the right to submit written evidence for consideration by the commissioner.

(d) ~~The withholding or reduction of payments will not continue after~~ The commissioner ~~determines~~ must cease the withholding or reduction of payments after determining there is insufficient evidence of fraud by the individual or entity, after finding good cause not to continue withholding or reducing payments under Code of Federal Regulations, title 42, section 455.23(e) or (f), or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon conviction for a crime related to the provision, management, or administration of a health service under medical assistance, a payment held pursuant to this section by the commissioner or a managed care organization that contracts with the commissioner under section 256B.035 is forfeited to the

commissioner or managed care organization, regardless of the amount charged in the criminal complaint or the amount of criminal restitution ordered.

(e) The commissioner shall suspend or terminate an individual's or entity's participation in the program without providing advance notice and an opportunity for a hearing when the suspension or termination is required because of the individual's or entity's exclusion from participation in Medicare. Within five days of taking such action, the commissioner must send notice of the suspension or termination. The notice must:

(1) state that suspension or termination is the result of the individual's or entity's exclusion from Medicare;

(2) identify the effective date of the suspension or termination; and

(3) inform the individual or entity of the need to be reinstated to Medicare before reapplying for participation in the program.

(f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is to be imposed, an individual or entity may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the individual or entity. The appeal request must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;

(2) the computation that the individual or entity believes is correct;

(3) the authority in statute or rule upon which the individual or entity relies for each disputed item;

(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

(g) The commissioner may order an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the individual or entity, or up to $5,000, whichever is less. If the commissioner determines that an individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to $5,000 or 20 percent of the value of the claims, whichever is greater.

(h) The individual or entity shall pay the fine assessed on or before the payment date specified. If the individual or entity fails to pay the fine, the commissioner may withhold or reduce payments

and recover the amount of the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(i) Prior to suspending or withholding payments to an entity providing residential services and supports to an older adult or person with a disability, or suspending or terminating the entity's participation in medical assistance, the commissioner must notify the Department of Human Services continuity of care team established under section 256B.045. The commissioner must not suspend or withhold payments to an entity providing residential services and supports to an older adult or person with a disability or suspend or terminate the entity's participation in the program until the continuity of care team notifies the commissioner that the team is prepared to immediately intervene and comply with its duties under section 256B.045 upon imposition of the commissioner's sanction. For purposes of this paragraph, "residential services and supports" has the meaning given under section 256B.045, subdivision 1.

Sec. 6. Minnesota Statutes 2024, section 256B.492, subdivision 1, is amended to read:

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

(b) "Community-living setting" means a single-family home or multifamily dwelling unit where a service recipient or a service recipient's family owns or rents and maintains control over the individual unit as demonstrated by a lease agreement. Community-living setting does not include a home or dwelling unit that the ~~service~~ provider of the service recipient's services owns, operates, or leases or in which the ~~service~~ provider of the service recipient's services has a direct or indirect financial interest.

(c) "Controlling individual" has the meaning given in section 245A.02, subdivision 5a.

(d) "License holder" has the meaning given in section 245A.02, subdivision 9.

Sec. 7. Minnesota Statutes 2024, section 256B.492, subdivision 3, is amended to read:

Subd. 3. **Community-living settings.** (a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in community-living settings. Community-living settings must meet the requirements of subdivision 2, paragraph (a), clause (1).

(b) For the purposes of this section, direct financial interest exists if payment passes between the license holder or any controlling individual of a licensed program and the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling. For the purposes of this section, indirect financial interest exists if the license holder or any controlling individual of a licensed program has an ownership or investment interest in the entity that owns, operates, leases, or otherwise receives payment from the service recipient or an entity acting on the service recipient's behalf for the purpose of obtaining or maintaining a dwelling. Neither a direct nor an indirect financial interest exists if the service recipient is receiving services from a license holder or a licensed program that is not the license holder or a licensed program that owns, operates, leases, or has a direct or indirect financial interest in the setting in which the service recipient's services are being delivered.

(c) To ensure a service recipient or the service recipient's family maintains control over the home or dwelling unit, community-living settings are subject to the following requirements:

(1) service recipients must not be required to receive services or share services;

(2) service recipients must not be required to have a disability or specific diagnosis to live in the community-living setting;

(3) service recipients may hire service providers of their choice;

(4) service recipients may choose whether to share their household and with whom;

(5) the home or multifamily dwelling unit must include living, sleeping, bathing, and cooking areas;

(6) service recipients must have lockable access and egress;

(7) service recipients must be free to receive visitors and leave the settings at times and for durations of their own choosing;

(8) leases must comply with chapter 504B;

(9) landlords must not charge different rents to tenants who are receiving home and community-based services; and

(10) access to the greater community must be easily facilitated based on the service recipient's needs and preferences.

(d) Nothing in this section prohibits a service recipient from having another person or entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from modifying services with an existing cosigning service provider and, subject to the approval of the landlord, maintaining a lease cosigned by the service provider. Nothing in this section prohibits a service recipient, during any period in which a service provider has cosigned the service recipient's lease, from terminating services with the cosigning service provider, receiving services from a new service provider, or, subject to the approval of the landlord, maintaining a lease cosigned by the new service provider.

(e) A lease cosigned by a service provider meets the requirements of paragraph (b) if the service recipient and service provider develop and implement a transition plan which must provide that, within two years of cosigning the initial lease, the service provider shall transfer the lease to the service recipient and other cosigners, if any.

(f) In the event the landlord has not approved the transfer of the lease within two years of the service provider cosigning the initial lease, the service provider must submit a time-limited extension request to the commissioner of human services to continue the cosigned lease arrangement. The extension request must include:

(1) the reason the landlord denied the transfer;

(2) the plan to overcome the denial to transfer the lease;

(3) the length of time needed to successfully transfer the lease, not to exceed an additional two years;

(4) a description of how the transition plan was followed, what occurred that led to the landlord denying the transfer, and what changes in circumstances or condition, if any, the service recipient experienced; and

(5) a revised transition plan to transfer the cosigned lease between the service provider and the service recipient to the service recipient.

(g) The commissioner must approve an extension under paragraph (f) within sufficient time to ensure the continued occupancy by the service recipient.

ARTICLE 2

AGING AND DISABILITY SERVICES POLICY

Section 1. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to read:

Subd. 7b. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, under this chapter. This paragraph does not apply to child foster residence settings with residential program certifications for compliance with the Family First Prevention Services Act under section 245A.25, subdivision 1, paragraph (a). If a child foster residence setting that was previously exempt from the licensing moratorium under this paragraph has its Family First Prevention Services Act certification rescinded under section 245A.25, subdivision 9, the commissioner shall revoke the license according to section 245A.07.

(b) The commissioner shall not issue an initial license for adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If an adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to Minnesota Statutes 2016, section 256B.49, subdivision 15, paragraph (f), the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings. Residential settings that would otherwise be subject to the decreased license capacity established in this paragraph must be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(c) The commissioner shall not issue an initial license for a community residential setting licensed under this chapter and chapter 245D. When an adult resident served by the program moves out of an adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity

for community residential settings. Residential settings that would otherwise be subject to the decreased license capacity established in this paragraph must be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(d) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 2. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to read:

Subd. 7c. **Licensing moratorium exceptions.** (a) The commissioner may approve exceptions to the foster care and community residential settings moratoria described under subdivision 7b as provided in this subdivision.

(b) When approving an exception under this subdivision to the foster care or community residential setting moratorium described in subdivision 7b, the commissioner shall consider the resource need determination process in subdivision 7d, the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of the person's choices during the person's annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal.

(c) Permissible exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under subdivision 7d for the closure of a nursing facility, an intermediate care facility for individuals with developmental disabilities, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or movement to the community of people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24; and

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under subdivision 7d for persons requiring hospital-level care.

Sec. 3. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to read:

Subd. 7d. **Resource needs determination process.** (a) The commissioner shall determine the need for newly licensed foster care homes or community residential settings. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate and the recommendation of the local county board. The

determination by the commissioner is final. A determination of need is not required for a change in ownership at the same address.

(b) A resource need determination process, managed at the state level, using the available data required under section 144A.351 and other data and information must be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351 and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(c) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in subdivision 7b are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(d) License holders of foster care homes identified under paragraph (c) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(e) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings must be accomplished through a process identified in section 256B.493.

(f) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

Sec. 4. Minnesota Statutes 2025 Supplement, section 245C.03, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities ~~and providers of housing stabilization services.~~** (a) For providers of services specified in the federally approved home and community-based waiver plans under section 256B.4912 ~~and providers of housing stabilization services under section 256B.051~~, the commissioner shall conduct background studies on any individual who is an owner with at least a five percent ownership stake in the provider, an operator of the provider, or an employee or volunteer for the provider who has direct contact with people receiving the services. The individual studied must meet the requirements of this chapter prior to providing waiver services and as part of ongoing enrollment.

(b) The requirements in paragraph (a) apply to consumer-directed community supports under section 256B.4911.

(c) For purposes of this section, "operator" includes but is not limited to a managerial officer who oversees the billing, management, or policies of the services provided.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 245C.04, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities ~~and providers of housing stabilization services.~~** (a) Providers required to initiate background studies under section 245C.03, subdivision 6, must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position allowing direct contact with persons served by the provider. New providers must initiate a study under this subdivision before initial enrollment if the provider has not already initiated background studies as part of the service licensure requirements.

(b) Except as provided in paragraph (c), the providers must initiate a background study annually of an individual required to be studied under section 245C.03, subdivision 6.

(c) After an initial background study under this subdivision is initiated on an individual by a provider of both services licensed by the commissioner and the unlicensed services under this subdivision, a repeat annual background study is not required if:

(1) the provider maintains compliance with the requirements of section 245C.07, paragraph (a), regarding one individual with one address and telephone number as the person to receive sensitive background study information for the multiple programs that depend on the same background study, and that the individual who is designated to receive the sensitive background information is capable of determining, upon the request of the commissioner, whether a background study subject is providing direct contact services in one or more of the provider's programs or services and, if so, at which location or locations; and

(2) the individual who is the subject of the background study provides direct contact services under the provider's licensed program for at least 40 hours per year so the individual will be recognized by a probation officer or corrections agent to prompt a report to the commissioner regarding criminal convictions as required under section 245C.05, subdivision 7.

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

Sec. 6. Minnesota Statutes 2025 Supplement, section 245C.10, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities ~~and providers of housing stabilization services~~.** The commissioner shall recover the cost of background studies initiated by unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities under section 256B.4912 ~~and providers of housing stabilization services under section 256B.051~~ through a fee of no more than $44 per study.

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

Sec. 7. Minnesota Statutes 2024, section 245D.09, subdivision 5, is amended to read:

Subd. 5. **Annual training.** (a) A license holder must provide annual training to direct support staff on the topics identified in subdivision 4, clauses (3) to (11). A license holder may delay annual training up to 90 calendar days following the date by which the direct care staff would otherwise be required to receive the annual training.

(b) If the direct support staff has a first aid certification, annual training under subdivision 4, clause (9), is not required as long as the certification remains current.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 8. Minnesota Statutes 2025 Supplement, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Positive support professional qualifications.** A positive support professional providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

(3) functional analysis;

(4) measurement of behavior and interpretation of data;

(5) selecting intervention outcomes and strategies;

(6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;

(7) data collection;

(8) staff and caregiver training;

(9) support plan monitoring;

(10) co-occurring mental disorders or neurocognitive disorder;

(11) demonstrated expertise with populations being served; and

(12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148E, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections ~~148B.29 to 148B.39~~ 148B.5301 and 148B.532 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11);

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's needs as outlined in the person's assessment summary;

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services; or

(viii) person who has completed a competency-based training program as determined by the commissioner.

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

Sec. 9. Minnesota Statutes 2025 Supplement, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Positive support analyst qualifications.** (a) A positive support analyst providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must satisfy one of the following requirements as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in either a social services discipline or nursing;

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17;

(3) be a ~~board-certified~~ licensed behavior analyst or a board-certified assistant behavior analyst certified by the Behavior Analyst Certification Board, Incorporated; or

(4) have completed a competency-based training program as determined by the commissioner.

(b) In addition, a positive support analyst must:

(1) either have two years of supervised experience conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder, or for those who have obtained a baccalaureate degree in one of the behavioral sciences or related fields, demonstrated expertise in positive support services;

(2) have received training prior to hire or within 90 calendar days of hire that includes:

(i) ten hours of instruction in functional assessment and functional analysis;

(ii) 20 hours of instruction in the understanding of the function of behavior;

(iii) ten hours of instruction on design of positive practices behavior support strategies;

(iv) 20 hours of instruction preparing written intervention strategies, designing data collection protocols, training other staff to implement positive practice strategies, summarizing and reporting program evaluation data, analyzing program evaluation data to identify design flaws in behavioral interventions or failures in implementation fidelity, and recommending enhancements based on evaluation data; and

(v) eight hours of instruction on principles of person-centered thinking;

(3) be determined by a positive support professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives positive support; and

(4) be under the direct supervision of a positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraph (b).

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

Sec. 10. Minnesota Statutes 2024, section 256.9752, as amended by Laws 2025, First Special Session chapter 9, article 1, sections 6 and 7, is amended to read:

256.9752 SENIOR NUTRITION PROGRAMS.

Subdivision 1. **Program goals.** It is the goal of all area agencies on aging and senior nutrition programs to support the physical and mental health of ~~seniors~~ older adults living in the community by:

(1) promoting nutrition programs that serve ~~senior citizens~~ older adults in their homes and communities; ~~and~~

(2) providing, within the limit of funds available, the support services that will enable ~~the senior citizen~~ each older adult to access nutrition programs in the most cost-effective and efficient manner~~.~~; and

(3) coordinating with health and long-term care systems, emergency preparedness systems, and other systems and stakeholders that support the health and wellness of older adults.

Subd. 1a. **Food delivery support account; appropriation.** (a) A food delivery support account is established in the special revenue fund. The account consists of funds under section 174.49, subdivision 2, and as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the account is annually appropriated to the commissioner of human services for grants to nonprofit organizations to provide transportation of home-delivered meals, groceries, purchased food, or a combination, to Minnesotans who are experiencing food insecurity and have difficulty obtaining or preparing meals due to limited mobility, disability, age, or resources to prepare their own meals. A nonprofit organization must have a demonstrated history of providing and distributing food customized for the population that they serve.

(c) Grant funds under this subdivision must supplement, but not supplant, any state or federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies on aging the state nutrition support and food delivery support funds and the federal funds ~~which~~ that are received for ~~the~~ senior nutrition programs ~~of congregate dining and home-delivered meals~~ in a manner consistent with the board's intrastate funding formula.

Subd. 3. **Nutrition support services.** (a) Funds allocated to an area agency on aging for nutrition support services may be used for the following, as determined appropriate by the area agency on aging to address the needs of older adults in the agency's planning and service area:

(1) transportation of home-delivered meals and purchased food and medications to the residence of ~~a senior citizen~~ an older adult;

(2) expansion of home-delivered meals into unserved and underserved areas;

(3) transportation of older adults to ~~supermarkets~~ grocery stores or delivery of groceries ~~from supermarkets~~ to homes of older adults;

(4) vouchers for food purchases at selected restaurants in isolated rural areas;

(5) the Supplemental Nutrition Assistance Program (SNAP) outreach;

(6) transportation of ~~seniors~~ older adults to congregate dining sites;

(7) nutrition screening assessments and counseling as needed by individuals with special dietary needs, performed by a licensed dietitian or nutritionist;

(8) medically tailored meals;

~~(8)~~ (9) other appropriate services ~~which~~ and tools that support senior nutrition programs, including new service delivery models and technology; and

~~(9)~~ (10) development and implementation of innovative models ~~of providing~~ to provide healthy and nutritious ~~meals to seniors~~ food to older adults, including through partnerships with schools, restaurants, hospitals, food shelves and food pantries, farmers, and other community partners.

(b) An area agency on aging may transfer unused funding for nutrition support services to fund congregate dining services and home-delivered meals.

(c) State funds under this subdivision are subject to federal requirements in accordance with the Minnesota Board on Aging's intrastate funding formula.

Sec. 11. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate:

(1) each provider under this subdivision at least once every five years;

(2) each personal care assistance agency, CFSS provider-agency, and CFSS financial management services provider under this subdivision at least once every three years;

(3) each EIDBI agency under this subdivision at least once every three years; and

(4) at the commissioner's discretion, any medical-assistance-only provider type the commissioner deems "high-risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable

medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section ~~256B.051,~~ 256B.0659, 256B.0701, or 256B.85.

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

Sec. 12. Minnesota Statutes 2024, section 256B.04, subdivision 24, is amended to read:

Subd. 24. **Medicaid waiver requests and state plan amendments; notice; public comments.** (a) The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance at least 30 days before submitting a new Medicaid waiver request to the federal government.

(b) Prior to submitting any Medicaid waiver request or Medicaid state plan amendment to the federal government for approval, the commissioner shall publish the text of the waiver request or state plan amendment, and a summary of and explanation of the need for the request, on the agency's website and provide a 30-day public comment period. The commissioner shall notify the public of the availability of this information through the agency's electronic subscription service. The commissioner shall publish the text of all public comments on the agency's website and consider

public comments when preparing the final waiver request or state plan amendment that is to be submitted to the federal government for approval.

(c) The commissioner shall also publish on the agency's website notice of any federal decision related to the state request for approval, within 30 days of the decision. This notice must describe any modifications to the state request that have been agreed to by the commissioner as a condition of receiving federal approval.

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

Sec. 13. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision to read:

Subd. 24a. **Medicaid waiver requests and state plan amendments; prohibited actions.** The commissioner must not take the following actions without prior enactment of legislative authorization:

(1) terminate a medical assistance program, waiver, or benefit;

(2) request federal assistance with terminating a medical assistance program, waiver, or benefit; or

(3) substantially redesign a medical assistance program, waiver, or benefit.

Sec. 14. Minnesota Statutes 2024, section 256B.056, subdivision 7a, is amended to read:

Subd. 7a. **Periodic renewal of eligibility.** (a) The commissioner shall make an annual redetermination of eligibility based on information contained in the enrollee's case file and other information available to the agency, including but not limited to information accessed through an electronic database, without requiring the enrollee to submit any information when sufficient data is available for the agency to renew eligibility.

(b) If the commissioner cannot renew eligibility in accordance with paragraph (a), the commissioner must provide the enrollee with a prepopulated renewal form containing eligibility information available to the agency and permit the enrollee to submit the form with any corrections or additional information to the agency and sign the renewal form via any of the modes of submission specified in section 256B.04, subdivision 18.

(c) An enrollee who is terminated for failure to complete the renewal process may subsequently submit the renewal form and required information within four months after the date of termination and have coverage reinstated without a lapse, if otherwise eligible under this chapter. The local agency may close the enrollee's case file if the required information is not submitted within four months of termination.

~~(d) Notwithstanding paragraph (a), a person who is eligible under subdivision 5 shall be subject to a review of the person's income every six months.~~

Sec. 15. Minnesota Statutes 2024, section 256B.056, is amended by adding a subdivision to read:

Subd. 7b. **Periodic renewal of eligibility; individuals with excess income.** Notwithstanding subdivision 7a, paragraph (a), a person who has excess income but is eligible under subdivision 5 is subject to a review of the person's income every six months.

Sec. 16. Minnesota Statutes 2024, section 256B.056, is amended by adding a subdivision to read:

Subd. 7c. **Periodic renewal of eligibility; employed persons with disabilities.** (a) For a person enrolled in medical assistance under section 256B.057, subdivision 9, the commissioner or local agency must provide the enrollee with the renewal form described in subdivision 7a, paragraph (b), at least 60 calendar days before the end of the enrollee's eligibility period. If the commissioner or local agency fails to provide the enrollee with the renewal form 60 calendar days before the end of the enrollee's eligibility period, consistent with Code of Federal Regulations, title 42, sections 435.912(e) and (g)(2), the commissioner and the local agency must not terminate the enrollee until the end of the second month following the month in which the enrollee's eligibility period ended.

(b) For a person enrolled in medical assistance under section 256B.057, subdivision 9, who due to a good cause is unable to respond within the required time frame to the renewal form provided to the enrollee under subdivision 7a, paragraph (b), the commissioner must provide the enrollee an additional 30 calendar days to respond, as permitted under Code of Federal Regulations, title 42, section 435.912(e)(1).

(c) For a person enrolled in medical assistance under section 256B.057, subdivision 9, the commissioner must not terminate the enrollee's medical assistance eligibility until the commissioner has provided the enrollee with a notice of terminated eligibility that includes information on the enrollee's right to appeal the termination under section 256.045.

Sec. 17. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 77. **Early intensive developmental and behavioral intervention benefit.** Medical assistance covers early intensive developmental and behavioral intervention services according to section 256B.0949.

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

Sec. 18. Minnesota Statutes 2024, section 256B.0658, is amended to read:

256B.0658 HOUSING ACCESS GRANTS.

Subdivision 1. **Establishment.** The commissioner of human services shall award through a competitive process contracts for grants to public and private agencies to support and assist individuals with a disability ~~as defined in section 256B.051, subdivision 2, paragraph (e),~~ to access housing.

Subd. 2. **Definition.** (a) For the purposes of this section, the term defined in this subdivision has the meaning given.

(b) "Individual with a disability" means:

(1) an individual who is aged, blind, or disabled as determined by the criteria under sections 216(i)(1) and 221 of the Social Security Act; or

(2) an individual who meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clause (1), (4), (5) to (8), or (13).

Subd. 3. **Allowable uses of grant money.** Grants may be awarded to agencies that may include, but are not limited to, the following supports: assessment to ensure suitability of housing, accompanying an individual to look at housing, filling out applications and rental agreements, meeting with landlords, helping with Section 8 or other program applications, helping to develop a budget, obtaining furniture and household goods, if necessary, and assisting with any problems that may arise with housing.

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

Sec. 19. Minnesota Statutes 2024, section 256B.0659, subdivision 12, is amended to read:

Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal care assistance services for a recipient must be documented daily by each personal care assistant, on a time sheet form approved by the commissioner. All documentation may be web-based, electronic, or paper documentation. The completed form must be submitted on a monthly basis to the provider and kept in the recipient's health record.

(b) The activity documentation must correspond to the personal care assistance care plan and be reviewed by the qualified professional.

(c) The personal care assistant time sheet must be on a form approved by the commissioner documenting time the personal care assistant provides services in the home. The following criteria must be included in the time sheet:

(1) full name of personal care assistant and individual provider number;

(2) provider name and telephone numbers;

(3) full name of recipient and either the recipient's medical assistance identification number or date of birth;

(4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;

(5) signatures of recipient or the responsible party;

(6) personal signature of the personal care assistant;

(7) any shared ~~care~~ services provided, if applicable;

(8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments;

(9) dates and location of recipient stays in a hospital, care facility, or incarceration; and

(10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

Sec. 20. Minnesota Statutes 2024, section 256B.0659, subdivision 16, is amended to read:

Subd. 16. **Shared services.** (a) Medical assistance payments for ~~shared~~ personal care assistance services that are shared services are limited according to this subdivision.

(b) ~~Shared service is~~ For the purposes of this section, "shared services" means the provision of personal care assistance services by a personal care assistant to two or three recipients~~,~~ who are all eligible for medical assistance~~,~~ and who each voluntarily enter into an agreement to receive services at the same time and in the same setting.

(c) For the purposes of this subdivision, "setting" means:

(1) the home residence or family foster care home of one or more of the individual recipients; or

(2) a child care program licensed under chapter 142B or operated by a local school district or private school.

(d) Shared ~~personal care assistance~~ services follow the same criteria for covered services as subdivision 2.

(e) Noncovered shared ~~personal care assistance~~ services include the following:

(1) services for more than three recipients by one personal care assistant at one time;

(2) staff requirements for child care programs under chapter 245C;

(3) caring for multiple recipients in more than one setting;

(4) additional units of personal care assistance based on the selection of the option; and

(5) use of more than one personal care assistance provider agency for the shared ~~care~~ services.

(f) The option of shared ~~personal care assistance~~ services is elected by the recipient or the responsible party with the assistance of the assessor. The option must be determined appropriate based on the ages of the recipients, compatibility, and coordination of their assessed care needs. The recipient or the responsible party, in conjunction with the qualified professional, shall arrange the setting and grouping of shared services based on the individual needs and preferences of the recipients. The personal care assistance provider agency shall offer the recipient or the responsible party the option of shared services or one-on-one personal care assistance services or a combination of both. The recipient or the responsible party may withdraw from participating in a shared services arrangement at any time.

(g) Authorization for the shared service option must be determined by the commissioner based on the criteria that the shared service is appropriate to meet all of the recipients' needs and ~~their~~ the recipients' health and safety is maintained. The authorization of shared services is part of the overall

authorization of personal care assistance services. Nothing in this subdivision must be construed to reduce the total number of hours authorized for an individual recipient.

(h) A personal care assistant providing shared ~~personal care assistance~~ services must:

(1) receive training specific for each recipient served; and

(2) follow all required documentation requirements for time and services provided.

(i) A qualified professional shall:

(1) evaluate the ability of the personal care assistant to provide services ~~for all of~~ to all the recipients in a shared setting;

(2) visit the shared setting as shared services are being provided at least once every six months or whenever needed for response to a recipient's request for increased supervision of the personal care assistance staff;

(3) provide ongoing monitoring and evaluation of the effectiveness and appropriateness of the shared services;

(4) develop a contingency plan with each of the recipients ~~which~~ that accounts for absence of the recipient in a shared services setting due to illness or other circumstances;

(5) obtain permission from each of the recipients who are sharing a personal care assistant for number of shared hours for services provided inside and outside the home residence; and

(6) document the training completed by the personal care assistants specific to the shared setting and recipients sharing services.

Sec. 21. Minnesota Statutes 2024, section 256B.0659, subdivision 17, is amended to read:

Subd. 17. **Shared services; rates.** (a) For the purposes of this subdivision, "additional revenue for shared services" means the difference between the rate paid to a personal care assistance provider agency for serving a single recipient and the sum of the rates paid to a personal care assistance provider agency for shared services provided to more than one recipient.

(b) For the purposes of this subdivision, "wages and wage-related costs" means increased wages and any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation premiums, and contributions to employee retirement accounts if the contribution is a function of wages.

(c) The commissioner shall provide a rate system for shared ~~personal care assistance~~ services. For two ~~persons~~ recipients sharing services, the rate paid to a personal care assistance provider agency for the shared services must not exceed one and one-half times the rate paid for serving a single ~~individual, and~~ recipient. For three ~~persons~~ recipients sharing services, the rate paid to a personal care assistance provider agency for the shared services must not exceed twice the rate paid for serving a single ~~individual~~ recipient. These rates apply only when all ~~of the~~ criteria for ~~the~~ shared ~~care personal care assistance service have been~~ services are met.

(d) Of the additional revenue for shared services provided to two recipients, the personal care assistance provider agency must use 95 percent for the purposes specified in paragraph (e). Of the additional revenue for shared services provided to three recipients, the personal care assistance provider agency must use 95 percent for the purposes specified in paragraph (e).

(e) A personal care assistance provider agency must use the percentages of additional revenue for shared services specified in paragraph (d) for the wages and wage-related costs of the personal care assistant providing the shared services. The personal care assistance provider agency must not use additional revenue for shared services to pay for mileage reimbursements, uniform allowances, health and dental insurance, life insurance, disability insurance, long-term care insurance, contributions to employee retirement accounts if the contribution is not a function of wages, or any other employee benefits.

Sec. 22. Minnesota Statutes 2024, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual reassessment as required in subdivision 3a to determine continuing eligibility and service authorization;

(7) use the same personal care assistance choice provider agency if shared ~~personal assistance care is~~ services are being used; and

(8) ensure that a personal care assistant driving the recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including but not limited to purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including but not limited to workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided.

Sec. 23. Minnesota Statutes 2025 Supplement, section 256B.0701, subdivision 9, is amended to read:

Subd. 9. **Provider qualifications and duties.** A provider is eligible for reimbursement under this section only if the provider:

(1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk assessment under subdivision 10;

(2) is enrolled as a medical assistance Minnesota health care program provider and meets all applicable provider standards and requirements;

~~(3) demonstrates compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;~~

(3) demonstrates compliance with federal and state laws and policies for recuperative care services as determined by the commissioner;

(4) complies with background study requirements under chapter 245C and maintains documentation of background study requests and results;

(5) provides at the time of enrollment, reenrollment, and revalidation in a format determined by the commissioner, proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's medical assistance revenue in the previous calendar year is $300,000 or less, the provider agency must purchase a surety bond of $50,000. If the provider's medical assistance revenue in the previous year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(6) ensures all controlling individuals and employees of the agency complete annual vulnerable adult training;

(7) completes compliance training as required under subdivision 11; and

(8) complies with the habitability inspection requirements in subdivision 13.

Sec. 24. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 13, is amended to read:

Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The commissioner shall develop and implement a curriculum and an assessor certification process.

(b) MnCHOICES certified assessors must have received training and certification specific to assessment and consultation for long-term care services in the state and either:

(1) have at least an associate's degree in human services, or other closely related field;

(2) have at least an associate's degree in nursing with a public health nursing certificate, or other closely related field; or

(3) be a registered nurse.

(c) Certified assessors shall demonstrate best practices in assessment and support planning, including person-centered planning principles, and have a common set of skills that ensures consistency and equitable access to services statewide.

(d) Certified assessors must be recertified every three years.

(e) A Tribal Nation may establish the Tribal Nation's own education and experience qualifications for certified assessors.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 25. Minnesota Statutes 2024, section 256B.0911, subdivision 32, is amended to read:

Subd. 32. **Administrative activity.** (a) The commissioner shall:

(1) streamline the processes, including timelines for when assessments need to be completed;

(2) provide the services in this section; and

(3) implement integrated solutions to automate the business processes to the extent necessary for support plan approval, reimbursement, program planning, evaluation, and policy development.

(b) The commissioner shall work with lead agencies responsible for conducting long-term care consultation services to~~:~~

~~(1)~~ modify the MnCHOICES application and assessment policies to create efficiencies while ensuring federal compliance with medical assistance and long-term services and supports eligibility criteria~~; and~~.

~~(2) develop a set of measurable benchmarks sufficient to demonstrate quarterly improvement in the average time per assessment and other mutually agreed upon measures of increasing efficiency.~~

~~(c) The commissioner shall collect data on the benchmarks developed under paragraph (b) and provide to the lead agencies an annual trend analysis of the data in order to demonstrate the commissioner's compliance with the requirements of this subdivision.~~

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

Sec. 26. Minnesota Statutes 2024, section 256B.0924, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Persons are eligible to receive targeted case management services under this section if the requirements in paragraphs (a) and (b) are met.

(a) The person must be assessed and determined by the local county or Tribal agency to:

(1) be age 18 or older;

(2) be receiving medical assistance;

(3) have significant functional limitations; and

(4) be in need of service coordination to attain or maintain living in an integrated community setting.

(b) Except as permitted under paragraph (c), the person must be:

(1) a vulnerable adult in need of adult protection as defined in section 626.5572~~, or is~~;

(2) an adult with a developmental disability as defined in section 252A.02, subdivision 2~~, or~~;

(3) an adult with a related condition as defined in section 256B.02, subdivision 11, ~~and~~ who is not receiving home and community-based waiver services~~,~~; or

~~is~~ (4) an adult who lacks a permanent residence and who has been without a permanent residence for at least one year or on at least four occasions in the last three years.

(c) Tribal agencies may make a determination of eligibility under Tribal governance codes for adult protection or policy procedures consistent with section 626.5572 when determining whether a person is a vulnerable adult in need of adult protection or an adult with developmental disabilities or a related condition.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 27. Minnesota Statutes 2024, section 256B.0924, subdivision 5, is amended to read:

Subd. 5. **Provider standards.** County boards ~~or~~, providers who contract with the county, or Tribal government contracted providers are eligible to receive medical assistance reimbursement for adult targeted case management services. To qualify as a provider of targeted case management services the vendor must:

(1) have demonstrated the capacity and experience to provide the activities of case management services defined in subdivision 4;

(2) be able to coordinate and link community resources needed by the recipient;

(3) have the administrative capacity and experience to serve the eligible population in providing services and to ensure quality of services under state and federal requirements;

(4) have a financial management system that provides accurate documentation of services and costs under state and federal requirements;

(5) have the capacity to document and maintain individual case records complying with state and federal requirements;

(6) coordinate with county social ~~service~~ services or Tribal human services agencies responsible for planning for community social services under chapters 256E and 256F; conducting adult protective investigations under section 626.557, and conducting prepetition screenings for commitments under section 253B.07;

(7) coordinate with health care providers to ensure access to necessary health care services;

(8) have a procedure in place that notifies the recipient and the recipient's legal representative of any conflict of interest if the contracted targeted case management service provider also provides the recipient's services and supports and provides information on all potential conflicts of interest and obtains the recipient's informed consent and provides the recipient with alternatives; and

(9) have demonstrated the capacity to achieve the following performance outcomes: access, quality, and consumer satisfaction.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 28. Minnesota Statutes 2024, section 256B.0924, is amended by adding a subdivision to read:

Subd. 5a. **Tribal case manager qualifications.** An individual is authorized to serve as a vulnerable adult and developmental disability targeted case manager if the individual is certified by a federally recognized Tribal government in Minnesota pursuant to section 256B.02, subdivision 7, paragraph (c).

Sec. 29. Minnesota Statutes 2025 Supplement, section 256B.0924, subdivision 6, is amended to read:

Subd. 6. **Payment for targeted case management.** (a) Medical assistance and MinnesotaCare payment for targeted case management shall be made on a monthly basis. In order to receive payment for an eligible adult, the provider must document at least one contact per month and not more than two consecutive months without a face-to-face contact either in person or by interactive video that meets the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant persons identified as necessary to the development or implementation of the goals of the personal service plan.

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20~~, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001.~~ Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

(c) Payment for targeted case management provided by county-contracted vendors shall be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2. Payment for case management provided by vendors who contract with a Tribe must be made in accordance with Indian health service facility requirements. If a Tribe chooses to contract with a vendor not receiving payment through an Indian health service facility, the rate must be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged by the vendor for the same service to other payers. If the service is provided by a team of contracted vendors, the team shall determine how to distribute the rate among its members. No reimbursement received by contracted vendors shall be returned to the county or Tribe, except to reimburse the county or Tribe for advance funding provided by the county or Tribe to the vendor.

(d) If the service is provided by a team that includes any combination of contracted vendors ~~and,~~ county staff, and Tribal staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county and Tribal case managers may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, ~~the county~~ each entity must document~~, in the recipient's file,~~ the need for team targeted case management and a description of the different roles of ~~the team members~~ staff.

(e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for targeted case management shall be provided by the recipient's county of responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds used to match other federal funds. If the service is provided by a Tribal agency, the recipient's Tribe must provide the nonfederal share of costs, if any.

(f) The commissioner may suspend, reduce, or terminate reimbursement to a provider that does not meet the reporting or other requirements of this section. The county of responsibility, as defined in sections 256G.01 to 256G.12, or Tribe when applicable, is responsible for any federal disallowances. The county may share this responsibility with its contracted vendors.

(g) The commissioner shall set aside five percent of the federal funds received under this section for use in reimbursing the state for costs of developing and implementing this section.

(h) Payments to counties and Tribes for targeted case management expenditures under this section shall only be made from federal earnings from services provided under this section. Payments to contracted vendors shall include both the federal earnings and the county share.

(i) Notwithstanding section 256B.041, county or Tribal payments for the cost of case management services provided by county or Tribal staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county or Tribal staff under this section, the centralized disbursement of payments to counties or Tribes under section 256B.041 consists only of federal earnings from services provided under this section.

(j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital, and the recipient's institutional care is paid by medical assistance, payment for targeted case management services under this subdivision is limited to the lesser of:

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

(k) Payment for targeted case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties or Tribes.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 30. Minnesota Statutes 2024, section 256B.0924, subdivision 7, is amended to read:

Subd. 7. **Implementation and evaluation.** The commissioner of human services in consultation with county boards and Tribal Nations shall establish a program to accomplish the provisions of

subdivisions 1 to 6. The commissioner in consultation with county boards and Tribal Nations shall establish performance measures to evaluate the effectiveness of the targeted case management services. If a county or Tribe fails to meet agreed-upon performance measures, the commissioner may authorize contracted providers other than the county or Tribe. Providers contracted by the commissioner shall also be subject to the standards in subdivision 6.

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

Sec. 31. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this subdivision.

(b) "Advanced certification" means a person who has completed advanced certification in an approved modality under subdivision 13, paragraph (b).

(c) "Agency" means the legal entity that is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide EIDBI services and that has the legal responsibility to ensure that its employees carry out the responsibilities defined in this section. Agency includes a licensed individual professional who practices independently and acts as an agency.

(d) "Autism spectrum disorder or a related condition" or "ASD or a related condition" means either autism spectrum disorder (ASD) as defined in the current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found to be closely related to ASD, as identified under the current version of the DSM, and meets all of the following criteria:

(1) is severe and chronic;

(2) results in impairment of adaptive behavior and function similar to that of a person with ASD;

(3) requires treatment or services similar to those required for a person with ASD; and

(4) results in substantial functional limitations in three core developmental deficits of ASD: social or interpersonal interaction; functional communication, including nonverbal or social communication; and restrictive or repetitive behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits or a high level of support in one or more of the following domains:

(i) behavioral challenges and self-regulation;

(ii) cognition;

(iii) learning and play;

(iv) self-care; or

(v) safety.

(e) "Behavior analyst" means an individual licensed under sections 148.9981 to 148.9995 as a behavior analyst.

(f) "Clinical supervision" means the overall responsibility for the control and direction of EIDBI service delivery, including ~~individual treatment planning,~~ staff supervision, including observation and direction; individual treatment plan development and progress monitoring~~,~~; family training and counseling; and ~~treatment review~~ coordinated care conference coordination for each person. Clinical supervision is provided by a qualified supervising professional (QSP) who takes full professional responsibility for the service provided by each supervisee and the clinical effectiveness of all interventions.

(g) "Commissioner" means the commissioner of human services, unless otherwise specified.

(h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive evaluation of a person to determine medical necessity for EIDBI services based on the requirements in subdivision 5.

(i) "Department" means the Department of Human Services, unless otherwise specified.

(j) "Early intensive developmental and behavioral intervention benefit" or "EIDBI benefit" means a variety of individualized, intensive treatment modalities approved and published by the commissioner that are based in behavioral and developmental science consistent with best practices on effectiveness.

(k) "Employee of an agency" or "employee" means any individual who is employed temporarily, part time, or full time by the agency that is submitting claims or billing for the work, services, supervision, or treatment performed by the individual. Employee does not include an independent contractor, billing agency, or consultant who is not providing EIDBI services. Employee does not include an individual who performs work, provides services, supervises, or provides treatment for less than 80 hours in a 12-month period.

(l) "Generalizable goals" means results or gains that are observed during a variety of activities over time with different people, such as providers, family members, other adults, and people, and in different environments including, but not limited to, clinics, homes, schools, and the community.

(m) "Incident" means when any of the following occur:

(1) an illness, accident, or injury that requires first aid treatment;

(2) a bump or blow to the head; or

(3) an unusual or unexpected event that jeopardizes the safety of a person or staff, including a person leaving the agency unattended.

(n) "Individual treatment plan" or "ITP" means the person-centered, individualized written plan of care that integrates and coordinates person and family information from the CMDE for a person who meets medical necessity for the EIDBI benefit. An individual treatment plan must meet the standards in subdivision 6.

(o) "Legal representative" means the parent of a child who is under 18 years of age, a court-appointed guardian, or other representative with legal authority to make decisions about service for a person. For the purpose of this subdivision, "other representative with legal authority to make decisions" includes a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(p) "Mental health professional" means a staff person who is qualified according to section 245I.04, subdivision 2.

(q) "Person" means an individual under 21 years of age.

(r) "Person-centered" means a service that both responds to the identified needs, interests, values, preferences, and desired outcomes of the person or the person's legal representative and respects the person's history, dignity, and cultural background and allows inclusion and participation in the person's community.

(s) "Qualified EIDBI provider" means an individual who is a QSP or a level I, level II, or level III treatment provider.

Sec. 32. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all applicable provider standards and requirements;

(2) designate an individual as the agency's compliance officer who must perform the duties described in section 256B.04, subdivision 21, paragraph (g);

(3) demonstrate compliance with federal and state laws for the delivery of and billing for EIDBI service;

(4) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(5) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(6) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services, appropriately submit claims, conduct required staff training, document staff qualifications, document service activities, and document service quality;

(7) have an office located in Minnesota or a border state;

(8) initiate a background study as required under subdivision 16a;

(9) report maltreatment according to section 626.557 and chapter 260E;

(10) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(11) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(12) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(13) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident;

(14) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;

(15) provide clinical supervision for a minimum of one hour for every 16 hours of direct treatment per person, unless otherwise authorized in the person's individual treatment plan; and

(16) provide the required EIDBI intervention observation and direction by a QSP or Level I provider at least once per month. Notwithstanding subdivision 13, paragraph (l), required EIDBI intervention observation and direction under this clause may be conducted via telehealth provided that no more than two consecutive monthly required EIDBI intervention observation and direction sessions under this clause are conducted via telehealth.

(b) Upon request of the commissioner, an agency delivering services under this section must:

(1) identify the agency's controlling individuals, as defined under section 245A.02, subdivision 5a;

(2) provide disclosures of the use of billing agencies and other consultants who do not provide EIDBI services; and

(3) provide copies of any contracts with consultants or independent contractors who do not provide EIDBI services, including hours contracted and responsibilities.

(c) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 33. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 19. **Documentation requirements.** (a) CMDE and EIDBI providers must ensure that all documentation, including but not limited to health service records and personnel files, complies with this subdivision, subdivision 16, and Minnesota Rules, parts 9505.2175 and 9505.2197. Documentation must be complete, legible, accurate, and readily accessible.

(b) All documentation must:

(1) be legible and understandable to individuals outside service delivery;

(2) include the participant's name on each health record page and the provider's name on each personnel file page;

(3) be signed and dated by the provider completing the documentation, with the provider's full name, title, and credentials;

(4) be entered within 72 hours of service, and contain a record and explanation of any delays in entry;

(5) clearly reflect clinical decision-making and support medical necessity;

(6) be securely stored in accordance with the Health Insurance Portability and Accountability Act (HIPAA), Public Law 104-191;

(7) be stored in accordance with state and federal document retention laws;

(8) be available for review or audit;

(9) include a record of caregiver involvement where applicable; and

(10) include a record of supervision and oversight for staff providing services requiring supervision under EIDBI policy.

(c) Each EIDBI service occurrence must be documented in a progress note in a manner and with the information determined by the commissioner.

(d) All providers must maintain current personnel records for each employee in a manner determined by the commissioner that include:

(1) the employee's name, contact information, and hire date;

(2) the employee's completed employment application and acknowledgment of duties;

(3) the job description for the employee's job with the effective date;

(4) verification of the employee's qualifications, including but not limited to education, licenses, certifications, enrollment attestation, degrees, transcripts, and experience;

(5) a background check pursuant to chapter 245C;

(6) orientation and required training the employee attended, including but not limited to training on mandated reporting, cultural responsiveness, and EIDBI competencies;

(7) the dates of the employee's first supervised and unsupervised client contact following employment;

(8) documentation of supervision received by the employee, including but not limited to the supervisor's name and credentials, dates of supervision, and supervision content;

(9) the employee's CPR and emergency response training, if required; and

(10) the employee's annual performance evaluations.

Sec. 34. Minnesota Statutes 2024, section 256B.4905, subdivision 2a, is amended to read:

Subd. 2a. **Informed choice policy.** (a) It is the policy of this state that all adults who have disabilities and, with support from their families or legal representatives, that all children who have disabilities:

(1) may make informed choices to select and utilize disability services and supports; and

(2) are offered an informed decision-making process sufficient to make informed choices.

(b) It is the policy of this state that disability waivers services support the presumption that adults who have disabilities and, with support from their families or legal representatives, all children who have disabilities may make informed choices; and that all adults who have disabilities and all families of children who have disabilities and are accessing waiver services under sections 256B.092 and 256B.49 are provided an informed decision-making process that satisfies the requirements of subdivision 3a.

(c) Lead agencies must support individuals in making informed choices by:

(1) providing complete and accurate information about available home and community-based services and settings;

(2) providing the information in a manner that is culturally and linguistically appropriate; and

(3) facilitating access to services that reflect the individual's preferences and assessed needs.

(d) For individuals who are members of or affiliated with a federally recognized Tribal Nation located within Minnesota, informed choice includes the right to receive services administered or provided by the individual's Tribal Nation. Lead agencies must:

(1) inform individuals of services offered by Tribal Nations enrolled as Minnesota health care providers;

(2) directly coordinate with the individual's Tribal Nation human services agency when the individual seeks or may be eligible for services administered or provided by that Tribal Nation; and

(3) ensure that service planning and delivery respects the individual's rights as both a member of a sovereign Tribal Nation and a resident of Minnesota.

(e) County lead agencies and Tribal Nation human services agencies must establish and maintain procedures to share updated contact information, coordinate case management, and provide timely referrals necessary to ensure that informed choice is fully exercised.

(f) Nothing in this section limits the sovereignty of Tribal Nations or the authority of Tribal governments to administer home and community-based services to their members.

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

Sec. 35. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Unit-based services with programming; component values and calculation of payment rates.** (a) For the purpose of this section, unit-based services with programming include employment exploration services, employment development services, employment support services, individualized home supports with family training, individualized home supports with training, and positive support services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for unit-based services with programming are:

(1) competitive workforce factor: 6.7 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) program plan support ratio: 15.5 percent;

(6) client programming and support ratio: 4.7 percent, updated as specified in subdivision 5b;

(7) general administrative support ratio: 13.25 percent;

(8) program-related expense ratio: 6.1 percent; and

(9) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for unit-based services with programming is 15 minutes.

(d) Payments for unit-based services with programming must be calculated as follows, unless the services are reimbursed separately as part of a residential support services or day program payment rate:

(1) determine the number of units of service to meet a recipient's needs;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

(3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;

(4) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);

(5) multiply the number of direct staffing hours by the appropriate staff wage;

(6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

(7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;

(8) for program plan support, multiply the result of clause (7) by one plus the program plan support ratio;

(9) for employee-related expenses, multiply the result of clause (8) by one plus the employee-related cost ratio;

(10) for client programming and supports, multiply the result of clause (9) by one plus the client programming and support ratio;

(11) this is the subtotal rate;

(12) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;

(13) divide the result of clause (11) by one minus the result of clause (12). This is the total payment amount;

(14) for services provided in a shared manner, divide the total payment in clause (13) as follows:

(i) for employment exploration services, divide by the number of service recipients, not to exceed five;

(ii) for employment support services, divide by the number of service recipients, not to exceed six;

(iii) for individualized home supports with training and individualized home supports with family training, divide by the number of service recipients, not to exceed three; and

(iv) for night supervision, divide by the number of service recipients, not to exceed two; and

(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

(e) Effective January 1, 2026, or upon federal approval, whichever is later, a provider must not bill more than three consecutive hours and not more than six total hours per day for individualized home supports with training and individualized home supports with family training. This daily limit does not limit a person's use of other disability waiver services, including individualized home supports, which may be provided on the same day by the same provider providing individualized home supports with training or individualized home supports with family training. This paragraph expires upon the effective date of paragraph (f).

(f) Effective January 1, 2027, or upon federal approval, whichever is later, a provider must not bill more than:

(1) for individualized home supports with training, a monthly unit of service determined by multiplying 24 units by the total number of days in the month during which service was provided; and

(2) for individualized home supports with family training, not more than six total hours per day.

Sec. 36. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with community partners identified in subdivision 17, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received and reviewed for compliance by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. Providers selected to validate cost reports must respond to the commissioner within 30 days with the requested financial documentation. If a provider fails to respond to the commissioner with all the requested information within 30 days, the commissioner must temporarily suspend payments. The commissioner must resume payments once the requested documentation is received. If a provider is unable to validate the provider's costs with supporting documentation, the commissioner must require the provider to participate in the random validation the next year that the commissioner selects providers to report their costs. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

(e) Beginning January 1, 2029, the commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 37. Minnesota Statutes 2025 Supplement, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan; and

(ii) increase independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

(6) swimming lessons for a participant younger than 12 years of age whose disability puts the participant at a higher risk of drowning according to the Centers for Disease Control Vital Statistics System;

(7) services described under subdivision 17 provided by a consultation services provider meeting the requirements of subdivision 17a;

(8) services provided by an FMS provider as defined under subdivision 13a~~,~~ that is an enrolled provider with the department;

(9) CFSS services provided by a support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. Covered services under this clause are subject to the limitations described in subdivision 7b; ~~and~~

(10) shared services meeting the shared service requirements of this section; and

~~(10)~~ (11) worker training and development services as described in subdivision 18a.

Sec. 38. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7c. **Shared services under the agency-provider model.** (a) The commissioner shall authorize shared service arrangements if the commissioner determines that a shared service arrangement is appropriate to meet all the participants' needs and sufficient to maintain the participants' health and safety. The commissioner must include a decision regarding authorization of shared services during the process of authorizing CFSS under subdivision 8. The commissioner must not reduce the total number of authorized units for a participant who elects to receive shared services.

(b) An agency-provider must offer a participant or the participant's representative the option of shared services, one-on-one services, or a combination of both shared services and one-on-one

services when shared services are authorized by the commissioner. The option of shared services may be elected at the sole discretion of either the participant or the participant's representative. The participant or the participant's representative may withdraw from participating in a shared service arrangement at any time.

Sec. 39. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7d. **Shared service rates under the agency-provider model.** The commissioner shall provide a rate system for shared services. For two participants sharing services, the rate paid to an agency-provider for the shared services must not exceed one and one-half times the rate paid for serving a single participant. For three participants sharing services, the rate paid to an agency-provider for the shared services must not exceed twice the rate paid for serving a single participant. These rates apply only when all criteria for shared services are met.

Sec. 40. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7e. **Pass-through for shared services under the agency-provider model.** (a) Of the additional revenue for shared services provided to two participants, the agency-provider must use 95 percent for the purposes specified in paragraph (b). Of the additional revenue for shared services provided to three participants, the agency-provider must use 95 percent for the purposes specified in paragraph (b).

(b) An agency-provider must use the percentages of additional revenue for shared services specified in paragraph (a) for the wages and wage-related costs of the support worker providing the shared services. The agency-provider must not use additional revenue for shared services to pay for mileage reimbursements, uniform allowances, health and dental insurance, life insurance, disability insurance, long-term care insurance, contributions to employee retirement accounts when the contribution is not a function of wages, or any other employee benefits.

Sec. 41. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7f. **Shared services under the budget model.** (a) A participant who intends to elect shared services under the budget model, or the participant's representative, must include a statement of this intention in the CFSS service delivery plan, must develop a plan for shared services when developing or amending the CFSS service delivery plan, and must follow the CFSS process for approval of the plan as required under subdivision 6.

(b) The commissioner shall authorize shared service arrangements if the commissioner determines that a shared service arrangement is appropriate to meet all the participants' needs and sufficient to maintain the participants' health and safety. The commissioner must include a decision regarding authorization of shared services during the process of authorizing CFSS under subdivision 8. The commissioner must not reduce the total authorized dollar amount available to a participant who elects to receive shared services.

(c) The participants, or participants' representatives as needed, who elect to share services under the budget model must jointly develop a shared service agreement with the support of the participants' representatives as needed. Any participant or any participant's representative may at any time withdraw from participating in a shared service agreement.

(d) The commissioner must develop and publish recommendations for negotiating wages for support workers providing shared services under the budget model.

Sec. 42. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7g. **Pass-through for shared services under the budget model.** (a) Of the budget savings for shared services provided to two participants, the participant employer must use 95 percent for the purposes specified in paragraph (b). Of the budget savings for shared services provided to three participants, the participant provider must use 95 percent for the purposes specified in paragraph (b).

(b) A participant employer must use the percentages of budget savings for shared services specified in paragraph (a) for the wages and wage-related costs of the support worker providing the shared services. The participant employer must not use budget savings for shared services to pay for mileage reimbursements, uniform allowances, health and dental insurance, life insurance, disability insurance, long-term care insurance, contributions to employee retirement accounts when the contribution is not a function of wages, or any other employee benefits.

Sec. 43. **[256B.8502] COMMUNITY FIRST SERVICES AND SUPPORTS; DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this section and sections 256B.85 and 256B.851, the terms in this section have the meanings given.

Subd. 2. **Additional revenue for shared services.** "Additional revenue for shared services" means the difference between the rate paid to an agency-provider for serving a single participant and the sum of the rates paid to a personal care assistance provider agency for shared services provided to more than one recipient.

Subd. 3. **Budget savings for shared services.** "Budget savings for shared services" means the difference between the wages and wage-related costs paid by a participant employer to a support worker providing one-on-one service to the participant employer and:

(1) for two-to-one shared services, three-quarters of the wages and wage-related costs paid by a participant employer to a support worker providing one-on-one service; or

(2) for three-to-one shared services, two-thirds of the wages and wage-related costs paid by a participant employer to a support worker providing one-on-one service.

Subd. 4. **Wages and wage-related costs.** "Wages and wage-related costs" means increased wages and any corresponding increase in the employer's or participant employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation premiums, and contributions to employee retirement accounts when the contribution is a function of wages.

Sec. 44. Minnesota Statutes 2024, section 256B.851, subdivision 8, is amended to read:

Subd. 8. **Personal care provider agency; required reporting of cost data; training.** (a) As determined by the commissioner and in consultation with stakeholders, agencies enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner. The commissioner may request cost data, including but not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) staff vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any three-year period, a provider must submit the required cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner must provide each provider a 90-day notice prior to its submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If a provider fails to submit required cost data, the commissioner must provide notice to a provider that has not provided required cost data 30 days after the required submission date and a second notice to a provider that has not provided required cost data 60 days after the required submission date. The commissioner must temporarily suspend payments to a provider if the commissioner has not received required cost data 90 days after the required submission date. The commissioner must make withheld payments when the required cost data is received and reviewed for compliance by the commissioner.

(c) The commissioner must conduct a random validation of data submitted under this subdivision to ensure data accuracy. A provider selected to validate the provider's cost reports must respond to the commissioner within 30 days with the requested financial documentation. If a provider fails to respond to the commissioner with the requested information within 30 days, the commissioner must temporarily suspend payments. The commissioner must resume payments once the requested documentation is received. If a provider is unable to validate the provider's costs with supporting documentation, the commissioner must require the provider to participate in the random validation the next year that the commissioner selects providers to report their costs. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner, in consultation with stakeholders, must develop and implement a process for providing training and technical assistance necessary to support provider submission of cost data required under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 45. Minnesota Statutes 2024, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, nonemergency medical transportation services, personal care assistance and case management services, community first services and supports under section 256B.85, behavioral health home services under section 256B.0757, ~~housing stabilization services under section 256B.051,~~ and nursing home or intermediate care facilities services.

(b) Covered health services shall be expanded as provided in this section.

(c) For the purposes of covered health services under this section, "child" means an individual younger than 19 years of age.

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

Sec. 46. Minnesota Statutes 2024, section 256S.205, subdivision 1, is amended to read:

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

(b) "Application year" means a year in which a facility submits an application for designation as a disproportionate share facility.

(c) "Customized living resident" means a resident of a facility who is receiving either 24-hour customized living services or customized living services authorized under the elderly waiver, the brain injury waiver, or the community access for disability inclusion waiver. Effective August 31, 2026, a resident who experiences an interruption to waiver benefits resulting from a temporary absence from the facility is a customized living resident during the period of the temporary absence for purposes of this section.

(d) "Disproportionate share facility" means a facility designated by the commissioner under subdivision 4.

(e) "Facility" means either an assisted living facility licensed under chapter 144G or a setting that is exempt from assisted living licensure under section 144G.08, subdivision 7, clauses (10) to (13).

(f) "Rate year" means January 1 to December 31 of the year following an application year.

(g) "Residing in the facility" means that the facility is the resident's fixed permanent home and the place to which the resident intends to return following a temporary absence.

Sec. 47. Minnesota Statutes 2024, section 256R.481, is amended to read:

256R.481 RATE ADJUSTMENTS FOR BORDER CITY FACILITIES.

(a) The commissioner shall allow each nonprofit nursing facility located within the boundaries of the city of Breckenridge or Moorhead prior to January 1, 2015, to apply once annually for a rate add-on to the facility's external fixed costs payment rate.

(b) A facility seeking an add-on to its external fixed costs payment rate under this section must apply annually to the commissioner to receive the add-on. A facility must submit the application within 60 calendar days of the effective date of any add-on under this section. The commissioner may waive the deadlines required by this paragraph under extraordinary circumstances.

(c) The commissioner shall provide the add-on to each eligible facility that applies by the application deadline.

(d) The add-on to the external fixed costs payment rate is the difference on January 1 of the median total payment rate for ~~case mix classification PA1~~ the lowest case mix classification in effect of the nonprofit facilities located in an adjacent city in another state and in cities contiguous to the adjacent city minus the eligible nursing facility's total payment rate for ~~case mix classification PA1~~ the lowest case mix classification in effect as determined under section 256R.22, subdivision 4.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2026, and applies to rate years beginning on or after January 1, 2026.

Sec. 48. Minnesota Statutes 2025 Supplement, section 256S.205, subdivision 2, is amended to read:

Subd. 2. **Rate adjustment application.** (a) Effective through September 30, 2023, a facility may apply to the commissioner for an initial designation as a disproportionate share facility. Applications must be submitted annually between September 1 and September 30. The applying facility must apply in a manner determined by the commissioner. The applying facility must document each of the following on the application:

(1) the number of customized living residents residing in the facility on September 1 of the application year, broken out by specific waiver program; and

(2) the total number of people residing in the facility on September 1 of the application year.

(b) Effective October 1, 2023, the commissioner must not process any new initial applications for disproportionate share facilities.

(c) A facility that received rate floor payments in rate year 2024 may submit an annual application under this subdivision to maintain its designation as a disproportionate share facility.

Sec. 49. Minnesota Statutes 2024, section 256S.21, subdivision 3, is amended to read:

Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

(1) worker wage costs;

(2) benefits paid;

(3) supervisor wage costs;

(4) executive wage costs;

(5) vacation, sick, and training time paid;

(6) taxes, workers' compensation, and unemployment insurance costs paid;

(7) administrative costs paid;

(8) program costs paid;

(9) transportation costs paid;

(10) vacancy rates; and

(11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit the required cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner ~~shall~~ must provide each provider a 90-day notice prior to the provider's submission due date. The commissioner may review report submissions for inaccurate, inconclusive, incomplete, or otherwise deficient data and may remove the report from submitted status for further verification. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner ~~shall~~ must provide notice to the provider~~, and~~. If by 60 days after the required submission date a provider has not provided the required data, the commissioner ~~shall~~ must provide a second notice. The commissioner ~~shall~~ must temporarily suspend payments to ~~the~~ a provider if the commissioner has not received the required cost data ~~is not received~~ 90 days after the required submission date or 90 days after the Department of Human Services requests updated data. The commissioner must make withheld payments ~~must be made once data is received~~ when the required cost data is received and reviewed for compliance by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section ~~256S.2101, subdivision 3,~~ 256S.211, subdivision 4, through the reports directed by subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 50. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 1a. **Adult protective services.** Adult protective services must receive referrals from the common entry point and carry out lead investigative agency duties to investigate for a determination of responsibility for maltreatment. When the county social services agency is the lead investigative agency, or when the Department of Human Services or Department of Health in the role of the lead investigative agency request adult protective services, adult protective services must conduct assessments, develop services plans, and implement interventions to safeguard adults who are vulnerable and suspected of experiencing maltreatment. Adult protective services must conclude services following final determination of maltreatment and the adult is assessed as safe. The

Department of Human Services is the state agency responsible for supervision of adult protective services administered by county social services agencies.

Sec. 51. Minnesota Statutes 2024, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) The commissioner of human services shall establish a common entry point. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to ~~take calls~~ accept reports from reporters of suspected maltreatment and make required referrals for suspected maltreatment of a vulnerable adult. The common entry point shall use a standard intake form that includes:

(1) the time and date of the report;

(2) the name, relationship, and identifying and contact information for the person believed to be a vulnerable adult and the individual or facility alleged responsible for maltreatment;

(3) the name, relationship, and contact information for the:

(i) reporter;

(ii) initial reporter, witnesses, and persons who may have knowledge about the maltreatment; and

(iii) legal surrogate and persons who may provide support to the vulnerable adult;

(4) the basis of vulnerability for the vulnerable adult;

(5) the time, date, and location of the incident;

(6) the immediate safety risk to the vulnerable adult;

(7) a description of the suspected maltreatment;

(8) the impact of the suspected maltreatment on the vulnerable adult;

(9) whether a facility was involved and, if so, which agency licenses the facility;

(10) the actions taken to protect the vulnerable adult;

(11) the required notifications and referrals made by the common entry point; and

(12) whether the reporter wishes to receive notification of the disposition.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

Sec. 52. Minnesota Statutes 2024, section 626.557, subdivision 9a, is amended to read:

Subd. 9a. **Evaluation and referral of reports made to common entry point.** (a) The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals ~~as follows~~ using the referral guidelines established by the commissioner and the following:

(1) if the common entry point determines that there is an immediate need for emergency adult protective services, the common entry point agency shall immediately notify the appropriate county agency;

(2) if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

(3) the common entry point shall refer all reports of alleged or suspected maltreatment to the appropriate lead investigative agency as soon as possible, but in any event no longer than two working days;

(4) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies, the local medical examiner, and the ombudsman for mental health and developmental disabilities established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law; and

(5) for reports involving multiple locations or changing circumstances, the common entry point shall determine the county agency responsible for emergency adult protective services and the county responsible as the lead investigative agency~~, using referral guidelines established by the commissioner~~.

(b) If the lead investigative agency receiving a report believes the report was referred by the common entry point in error, the lead investigative agency shall immediately notify the common entry point of the error, including the basis for the lead investigative agency's belief that the referral was made in error. The common entry point shall review the information submitted by the lead investigative agency and immediately refer the report to the appropriate lead investigative agency using the referral guidelines established by the commissioner.

Sec. 53. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11b. **County social services agency; responsibilities.** The county social services agency is responsible for supervision of:

(1) intake decisions for initial disposition of the report;

(2) agency prioritization used to screen out an adult meeting eligibility for adult protective services as vulnerable and maltreated;

(3) safety, assessment, and services plans;

(4) protective service interventions;

(5) use of guardianship and other involuntary interventions;

(6) final determination for maltreatment; and

(7) case closure decisions.

Sec. 54. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11c. **County social services agency; referrals.** (a) When the common entry point refers a report to the county social services agency as the lead investigative agency or makes a referral to the county social services agency for emergency adult protective services, or when another lead investigative agency requests adult protective services from the county social services agency for

an adult referred to that lead investigative agency by the common entry point, the county social services agency must use the data report system and standardized decision and assessment tools provided by the commissioner of human services. The information entered by the county social services agency into the data system and standardized tools must be accessible to the Department of Human Services for the department to meet federal requirements, evaluate consistent application of policy, review quality of services and outcomes for adults, and meet requirements for background studies and disqualification of individuals determined responsible for vulnerable adult maltreatment under chapter 245C.

(b) The county social services agency must screen the report using the standardized tools provided by the commissioner to determine:

(1) whether the referred adult meets adult protective services eligibility as potentially vulnerable and maltreated under this section; and

(2) the response time required to initiate adult protective services.

(c) For reports referred by the common entry point for emergency adult protective services, the county social services agency must immediately screen the report to determine whether the adult should be accepted for emergency adult protective services. If the adult is accepted for emergency adult protective services, the county social services agency must immediately offer protective services to prevent further maltreatment and safeguard the welfare of the vulnerable adult. Assessment of adults accepted by the county social services agency for emergency protective services must be conducted in person by the agency or a designee within 24 hours of the agency receiving the referral. When sexual or physical abuse is suspected, the county social services agency must immediately arrange for and make available to the vulnerable adult appropriate medical examination and services.

(d) For reports referred by the common entry point to the county as lead investigative agency, the county social services agency must screen the report and make an initial determination within seven calendar days following receipt of the report from the common entry point on whether the adult should be accepted for adult protective services.

(e) For referrals made for adult protective services by the Department of Human Services or the Department of Health in the applicable department's role as the lead investigative agency responsible for reports made under this section, the county social services agency must screen the report and determine within seven calendar days following receipt of referral whether the adult should be accepted for adult protective services.

(f) If an adult meets eligibility requirements but is not accepted for adult protective services based on local agency prioritization, the agency must document the reason for the screening decision in the standardized tool provided by the commissioner.

Sec. 55. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11d. **County social services agency; assessments.** (a) For adults accepted into adult protective services, the county social services agency must decide, prior to initiation of assessment activities, if the agency must also conduct an investigation for final disposition for responsibility of maltreatment in addition to the assessment for adult protective services.

(b) The county social services agency must conduct assessments concurrently with investigations when: (1) the county is both the lead investigative agency and responsible for making a final determination of responsibility for maltreatment; or (2) another lead investigative agency responsible for the final determination of maltreatment requests assistance from the county social services agency.

(c) The county social services agency must conduct an in-person assessment to initiate adult protective services:

(1) within 24 hours of accepting a referral for emergency protective services;

(2) within 24 hours of making an initial disposition that the adult is in immediate need of protection, unless an in-person response would endanger the safety of the adult; or

(3) within 72 hours but in no instance later than seven calendar days from the first business day after receiving the report for adults accepted for adult protective services.

(d) The county social services agency must use the standardized decision, assessment, and service planning tools provided by the commissioner with all vulnerable adults accepted for adult protective services. The county social services agency must involve the vulnerable adult in the assessment and service plan. The county social services agency must document and update assessment and service plans consistent with significant changes in the vulnerable adult's health and safety.

(e) The county social services agency must notify the vulnerable adult and, if applicable, the guardian or health care agent of the vulnerable adult of the results of the assessment and service plan, including but not limited to recommendations for protective services intervention to stop or prevent maltreatment and to protect the vulnerable adult's health, safety, and comfort. When necessary to prevent further maltreatment or safeguard the vulnerable adult, the county social services agency may share the results of the assessment with the vulnerable adult's primary supports.

Sec. 56. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11e. **County social services agency; investigations.** (a) The county social services agency must investigate for a final disposition of responsibility for maltreatment for an allegation of:

(1) abuse;

(2) financial abuse by a fiduciary;

(3) financial exploitation involving a nonfiduciary that may be criminal or that involved force, coercion, harassment, deception, fraud, undue influence, or a scam;

(4) financial exploitation that involved another type of maltreatment;

(5) caregiver neglect by a paid caregiver or personal care assistance provider under chapter 256B;

(6) caregiver neglect by an unpaid caregiver that resulted in intentional harm to the vulnerable adult or involved another type of maltreatment; and

(7) a situation for which the county social services agency finds that a determination of responsibility of maltreatment may safeguard a vulnerable adult or prevent further maltreatment.

(b) The county social services agency must conduct an investigation for final disposition of responsibility for maltreatment if the agency receives information during an assessment that indicates the presence of any scenario listed in paragraph (a) or subdivision 11f.

Sec. 57. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11f. **County social services agency; self-neglect.** (a) The county social services agency may determine that an allegation that does not result in a determination of responsibility for maltreatment is:

(1) self-neglect;

(2) neglect by an unpaid caregiver that did not result in intentional harm to the vulnerable adult and did not involve another type of alleged maltreatment; or

(3) financial exploitation by a nonfiduciary that is consistent with the choice of the adult and not criminal or involving force, coercion, harassment, deception, fraud, undue influence, a scam, or another type of alleged maltreatment.

(b) An allegation of self-neglect is a substantiated determination if the county social services agency determines that adult protective services are needed.

Sec. 58. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11g. **County social services agency; initial contact.** (a) At the initial contact with the vulnerable adult accepted by the county social services agency, the agency must provide the vulnerable adult with information about the process for adult protective services and the vulnerable adult's rights as an adult protective client.

(b) At initial contact, the county social services agency must inform the individual or entity alleged responsible for maltreatment of the allegation in a manner consistent with requirements under this section to protect the identity of the reporter. The interview with the individual or entity alleged responsible for maltreatment may be postponed at the request of a law enforcement agency or if the interview may endanger the safety of the vulnerable adult.

Sec. 59. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11h. **County social services agency; agency authority.** (a) A county social services agency may enter all facilities and business premises of a licensed provider to inspect and copy records as part of an adult protective services assessment or investigation. The licensed provider must provide the county social services agency access to not public data as defined in section 13.02, subdivision 8a, and medical records under sections 144.291 to 144.298 that are maintained at the facilities and business premises to the extent that the data and records are necessary to conduct the agency's investigation. The licensed provider must provide the county social services agency access to all available sources of information at the facilities and business premises, not only written records.

(b) When necessary in order to protect a vulnerable adult from serious harm from maltreatment, the county social services agency may seek any of the following protective services interventions:

(1) emergency protective services;

(2) participation of law enforcement or emergency medical services;

(3) authority from a court to remove an adult from the situation in which maltreatment occurred;

(4) a restraining order or court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(5) a referral for a financial transaction hold under chapter 45A or a protective arrangement under this chapter or chapter 524;

(6) a referral for a representative payee;

(7) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609;

(8) the appointment or replacement of a guardian or conservator pursuant to sections 524.5-101 to 524.5-502, or guardianship or conservatorship pursuant to chapter 252A when maltreatment has been substantiated and when less restrictive interventions are not sufficient to stop or reduce the risk of serious harm from maltreatment; and

(9) other interventions recommended by a multidisciplinary team under this section.

(c) The county social services agency may seek the protective services interventions under paragraph (b) regardless of the vulnerable adult's voluntary or involuntary participation.

(d) The county social services agency may offer voluntary service interventions to support the vulnerable adult or primary supports to stop, reduce the risk for, or prevent subsequent maltreatment.

Sec. 60. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11i. **County social services agency; legal intervention.** (a) In proceedings under sections 524.5-101 to 524.5-502, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee must present the petition with representation by the county attorney. The county must contract with or arrange for a suitable person or organization to provide ongoing guardianship services. If the county presents evidence to the court exercising probate jurisdiction that the county has made diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator.

(b) The county must not retaliate against the employee for any action taken on behalf of the person subject to guardianship or conservatorship, even if the action is adverse to the county's interests. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and is entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

(c) The expenses of a legal intervention must be paid by the county in the case of indigent persons under section 524.5-502 and chapter 563.

Sec. 61. Minnesota Statutes 2024, section 626.557, is amended by adding a subdivision to read:

Subd. 11j. **County social services agency; conflict of interest.** (a) A county that identifies a potential conflict of interest under paragraph (c) related to an investigation, assessment, or protective services intervention must coordinate with another county social services agency to delegate the initial county's authority as the lead investigative agency to remediate the potential conflict. County social services agencies must cooperate and accept jurisdiction when an initial county social services agency identifies a potential conflict of interest and requests the other county's assistance.

(b) The initial county must notify the commissioner of human services when no other county is available to accept delegation of adult protective services duties. If the commissioner is notified that no other county is available, the commissioner may use the authority under subdivision 9a to determine the county social services agency responsible as lead investigative agency and for adult protective services.

(c) A county social services agency employee or designee must not have:

(1) a personal or family relationship with a party in the investigation or assessment;

(2) a dual relationship, as defined in Code of Federal Regulations, title 45, section 1324.401, with the vulnerable adult;

(3) a personal financial interest or financial relationship with a provider receiving referrals from the employee; or

(4) any other appearance of conflict of interest as determined by the county social services agency.

Sec. 62. Minnesota Statutes 2024, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a lead investigative agency, the county social ~~service~~ services agency shall maintain appropriate records. Data collected by the county social ~~service~~ services agency under this section while providing adult protective services are welfare data under section 13.46. Investigative data collected under this section are confidential data on individuals or protected nonpublic data as defined under section 13.02. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall maintain data for three calendar years after date of receipt and then destroy the data unless otherwise directed by federal requirements.

(b) The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. County social ~~service~~ services agencies must maintain private data on individuals but are not required to prepare an investigation memorandum. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which are public:

(i) the name of the facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

(iii) pertinent information obtained from medical or other records reviewed;

(iv) the identity of the investigator;

(v) a summary of the investigation's findings;

(vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

(vii) a statement of any action taken by the facility;

(viii) a statement of any action taken by the lead investigative agency; and

(ix) when a lead investigative agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

(i) the name of the vulnerable adult;

(ii) the identity of the individual alleged to be the perpetrator;

(iii) the identity of the individual substantiated as the perpetrator; and

(iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) The name of the reporter must be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court

that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services and county adult protective services must be maintained under the following schedule and then destroyed unless otherwise directed by federal requirements:

(1) data from reports determined to be false, maintained for three years after the finding was made for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years after the finding was made for reports under the jurisdiction of county adult protective services;

(2) data from reports determined to be inconclusive, maintained for four years after the finding was made for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years after the finding was made for reports under the jurisdiction of county adult protective services;

(3) data from reports determined to be substantiated, maintained for seven years after the finding was made; and

(4) data from reports which were not investigated by a lead investigative agency and for which there is no final disposition, maintained for three years from the date of the report for reports under the jurisdiction of the Department of Human Services or the Department of Health and five years from the date of the report for reports under the jurisdiction of county adult protective services.

(e) The commissioners of health and human services shall annually publish on their websites the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations.

~~(f) Each lead investigative agency must have a record retention policy.~~

~~(g)~~ (f) Lead investigative agencies, county agencies responsible for adult protective services, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, with a tribal agency, facility, service provider, vulnerable adult, primary support person for a vulnerable adult, emergency management service, financial institution, medical examiner, state licensing board, federal or state agency, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, if the agency or authority providing the data determines that the data are pertinent and necessary to prevent further maltreatment of a vulnerable adult, to safeguard a vulnerable adult, or for an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, the commissioner of human services as the state Medicaid agency, and licensing agencies investigating the alleged maltreatment under this section. The lead investigative agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section. Notwithstanding section 138.17, upon completion of the review, not public data received by the review panel must be destroyed.

~~(h)~~ (g) Each lead investigative agency shall keep records of the length of time it takes to complete its investigations.

~~(i)~~ (h) A lead investigative agency may notify other affected parties and their authorized representative if the lead investigative agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

~~(j)~~ (i) Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead investigative agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

(j) When a county agency acting as the lead investigative agency is aware the person determined responsible for maltreatment is a guardian or conservator appointed under chapter 524, the county agency must share the final determination with the Minnesota Judicial Branch within 14 calendar days of the determination.

Sec. 63. Minnesota Statutes 2024, section 626.5572, subdivision 2, is amended to read:

Subd. 2. **Abuse.** "Abuse" means:

(a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of:

(1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224;

(2) the use of drugs to injure or facilitate crime as defined in section 609.235;

(3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322; and

(4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451.

A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction.

(b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following:

(1) hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult;

(2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening; or

(3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will

of the vulnerable adult or the legal representative of the vulnerable adult unless authorized under applicable licensing requirements or Minnesota Rules, chapter 9544.

(c) Any contact with the vulnerable adult that is not therapeutic conduct and a reasonable person would consider a sexual act or any nonconsensual sexual interaction with the vulnerable adult, including but not limited to:

(1) making, viewing, or sharing sexual images or videos with or of the vulnerable adult; and

(2) using oral, written, gestured, or electronic communication that is sexually harassing, including but not limited to unwelcome sexual advances or requests for sexual favors.

~~(c)~~ (d) Any sexual contact or penetration as defined in section 609.341, between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility.

~~(d)~~ (e) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another.

~~(e)~~ (f) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C or 252A, or section 253B.03 or 524.5-313, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or, where permitted under law, to provide nutrition and hydration parenterally or through intubation. This paragraph does not enlarge or diminish rights otherwise held under law by:

(1) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(2) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct.

~~(f)~~ (g) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult.

~~(g)~~ (h) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(1) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(2) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.

Sec. 64. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 3a. **Adult protective services.** "Adult protective services" means an adult protection program administered by a county social services agency under the authority of the agency's governing body or delegated to a Tribal government by the commissioner of human services to support adults referred for maltreatment to live safely and with dignity.

Sec. 65. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 3b. **Assessment.** "Assessment" means a structured process conducted by a county social services agency to review the safety, strengths, and needs of an adult referred as vulnerable and maltreated and accepted by the agency for adult protective services and to develop a service plan to stop, prevent, and reduce risk of maltreatment for the adult using standardized tools provided by the Department of Human Services.

Sec. 66. Minnesota Statutes 2024, section 626.5572, subdivision 9, is amended to read:

Subd. 9. **Financial exploitation.** "Financial exploitation" means:

(a) In breach of a fiduciary obligation recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501, a person:

(1) engages in unauthorized expenditure of funds entrusted to the actor by the vulnerable adult which results or is likely to result in detriment to the vulnerable adult; or

(2) fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct or supervision for the vulnerable adult, and the failure results or is likely to result in detriment to the vulnerable adult.

(b) In the absence of legal authority a person:

(1) willfully uses, withholds, or disposes of funds or property of a vulnerable adult;

(2) obtains for the actor or another the performance of services by ~~a third person~~ the vulnerable adult for the wrongful profit or advantage of the actor or another to the detriment of the vulnerable adult;

(3) acquires possession or control of, or an interest in, funds or property of a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(4) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

(c) Nothing in this definition requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Sec. 67. Minnesota Statutes 2024, section 626.5572, is amended by adding a subdivision to read:

Subd. 12a. **Investigation.** "Investigation" means activities for fact gathering conducted by the lead investigative agency to make a final determination of maltreatment.

Sec. 68. Minnesota Statutes 2025 Supplement, section 626.5572, subdivision 13, is amended to read:

Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, EIDBI agencies, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services. The Department of Human Services is also the lead investigative agency for unlicensed EIDBI agencies under section 256B.0949.

(c) The county social ~~service~~ services agency adult protective services or ~~its~~ the agency's designee or a federally recognized Indian Tribe that entered into a contractual agreement with the commissioner of human services to operate adult protective services is the lead investigative agency for all other reports, including but not limited to reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659 or 256B.85.

Sec. 69. Minnesota Statutes 2024, section 626.5572, subdivision 17, is amended to read:

Subd. 17. **Neglect.** (a) "Neglect" means neglect by a caregiver or self-neglect.

(b) "Caregiver neglect" means the failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(c) "Self-neglect" means neglect by a vulnerable adult of the vulnerable adult's own food, clothing, shelter, health care, financial management, or other services that are not the responsibility of a caregiver which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort.

(d) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or sections 253B.03 or 524.5-101 to 524.5-502, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; ~~or~~

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship; ~~or~~

(4) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult which does not result in injury or harm which reasonably requires medical or mental health care; or

(5) an individual makes an error in the provision of therapeutic conduct to a vulnerable adult that results in injury or harm, which reasonably requires the care of a physician, and:

(i) the necessary care is provided in a timely fashion as dictated by the condition of the vulnerable adult;

(ii) if after receiving care, the health status of the vulnerable adult can be reasonably expected, as determined by the attending physician, to be restored to the vulnerable adult's preexisting condition;

(iii) the error is not part of a pattern of errors by the individual;

(iv) if in a facility, the error is immediately reported as required under section 626.557, and recorded internally in the facility;

(v) if in a facility, the facility identifies and takes corrective action and implements measures designed to reduce the risk of further occurrence of this error and similar errors; and

(vi) if in a facility, the actions required under items (iv) and (v) are sufficiently documented for review and evaluation by the facility and any applicable licensing, certification, and ombudsman agency.

(e) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

(f) If the findings of an investigation by a lead investigative agency result in a determination of substantiated maltreatment for the sole reason that the actions required of a facility under paragraph (d), clause (5), item (iv), (v), or (vi), were not taken, then the facility is subject to a correction order. An individual will not be found to have neglected or maltreated the vulnerable adult based solely on the facility's not having taken the actions required under paragraph (d), clause (5), item (iv), (v), or (vi). This must not alter the lead investigative agency's determination of mitigating factors under section 626.557, subdivision 9c, paragraph (f).

Sec. 70. Laws 2024, chapter 125, article 1, section 47, is amended to read:

Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME TRANSITION PILOT PROGRAM.**

(a) The commissioner of human services must award a single competitive grant to a home care nursing provider to develop and implement, in coordination with the commissioner of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare, and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and facilitate pediatric hospital-to-home discharges for patients receiving services in this state under medical assistance, including under the community alternative care waiver, community access for disability inclusion waiver, and developmental disabilities waiver.

(b) Grant money awarded under this section must be used only to support the administrative, training, and auxiliary services necessary to reduce:

(1) delayed discharge days due to unavailability of home care nursing staffing to accommodate complex pediatric patients;

(2) avoidable rehospitalization days for pediatric patients;

(3) unnecessary emergency department utilization by pediatric patients following discharge;

(4) long-term nursing needs for pediatric patients; and

(5) the number of school days missed by pediatric patients.

(c) Grant money must not be used to supplant payment rates for services covered under Minnesota Statutes, chapter 256B.

(d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report summarizing the impact of the pilot program that includes but is not limited to: (1) the number of delayed discharge days eliminated; (2) the number of rehospitalization days eliminated; (3) the number of unnecessary emergency department admissions eliminated; (4) the number of missed school days eliminated; and (5) an estimate of the return on investment of the pilot program.

(e) The commissioner must submit the report under paragraph (d) to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 71. **HOUSING STABILIZATION SERVICES REDESIGN.**

Subdivision 1. **Direction to the commissioner.** The commissioner of human services must develop recommendations for establishing a program to support individuals experiencing or at risk of homelessness to obtain and maintain safe and stable housing.

Subd. 2. **Recommendations.** In developing recommendations, the commissioner must:

(1) prioritize establishing a housing services benefit specifically for Minnesota Tribal governments and urban Indian organizations;

(2) utilize evidence-based and promising practices to prevent and reduce homelessness;

(3) identify gaps in available housing services and supports and not duplicate any existing programs;

(4) identify expected outcomes and measures to track effectiveness of the proposed program;

(5) incorporate tools and system changes to protect program integrity and prevent fraud, waste, and abuse; and

(6) include statutory changes and state appropriations to implement the proposed program.

Subd. 3. **Community engagement.** In developing recommendations, the commissioner must consult with the legislature, other state agencies, Tribal Nations, and community partners, including counties, providers, health plans, and people experiencing or at risk of homelessness.

Subd. 4. **Legislative report.** By September 15, 2027, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance a report including final recommendations to establish both a housing services benefit specifically for Tribal governments and urban Indian organizations and a statewide housing services benefit.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 72. **OPTUM PROHIBITED FROM DISSEMINATING PRIVATE DATA.**

Optum, Inc., must not sell, share, or disseminate any private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, that Optum receives under or incidental to Optum's

contract or engagement with the Department of Human Services pursuant to the governor's Executive Order No. 25-10.

Sec. 73. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber the definitions in Minnesota Statutes, section 256B.85, subdivision 2, and the definitions in Minnesota Statutes, section 256B.851, subdivision 2, as subdivisions in Minnesota Statutes, section 256B.8502, rearranging the renumbered and existing definitions in Minnesota Statutes, section 256B.8502, as necessary to place them in alphabetical order. The revisor of statutes shall revise all statutory cross-references consistent with this recoding.

(b) If a provision of Minnesota Statutes, section 256B.85, subdivision 2, or 256B.851, subdivision 2, is amended or repealed in the 2026 regular legislative session, the revisor of statutes shall codify the amendment or repealer in Minnesota Statutes, section 256B.8502, notwithstanding any other law to the contrary.

(c) In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

A	B	C
Minnesota Statutes, section 245A.03, subdivision 9	subdivision 7	section 245A.03, subdivision 7b
Minnesota Statutes, section 245A.11, subdivision 2a, paragraph (e)	section 245A.03, subdivision 7	section 245A.03, subdivisions 7b to 7d
Minnesota Statutes, section 245A.11, subdivision 2a, paragraph (h)	section 245A.03, subdivision 7, paragraph (a), clause (5)	
Minnesota Statutes, section 256B.092, subdivision 11, paragraph (c)	section 245A.03, subdivision 7, paragraph (f)	
Minnesota Statutes, section 256B.092, subdivision 11a, paragraph (b)	section 245A.03, subdivision 7	section 245A.03, subdivisions 7b to 7d
Minnesota Statutes, section 256B.092, subdivision 11a, paragraph (c)	section 245A.03, subdivision 7, paragraph (a)	section 245A.03, subdivision 7b
Minnesota Statutes, section 256B.092, subdivision 13, paragraph (c)	section 245A.03, subdivision 7, paragraph (a)	section 245A.03, subdivision 7b
Minnesota Statutes, section 256B.49, subdivision 24, paragraph (c)	section 245A.03, subdivision 7, paragraph (a)	section 245A.03, subdivision 7b
Minnesota Statutes, section 256B.49, subdivision 29, paragraph (b)	section 245A.03, subdivision 7	section 245A.03, subdivisions 7b to 7d

Minnesota Statutes, section 256B.49, subdivision 29, paragraph (c)	section 245A.03, subdivision 7, paragraph (a)	section 245A.03, subdivision 7b
Minnesota Statutes, section 256B.493, subdivision 1	section 245A.03, subdivision 7, paragraphs (c) and (d)	

Sec. 74. **REPEALER.**

(a) Minnesota Statutes 2024, sections 256B.051, subdivisions 1, 4, and 7; 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 16; and 626.557, subdivision 10, are repealed.

(b) Minnesota Statutes 2025 Supplement, sections 245A.04, subdivision 7; and 256B.051, subdivisions 2, 3, 5, 6, 6a, 6b, 8, 9, and 10, are repealed.

(c) Laws 2025, First Special Session chapter 3, article 18, section 3, is repealed.

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

ARTICLE 3

SUBSTANCE USE DISORDER TREATMENT POLICY

Section 1. Minnesota Statutes 2024, section 245F.02, subdivision 17, is amended to read:

Subd. 17. **Peer recovery support services.** "Peer recovery support services" means services provided according to section ~~245F.08, subdivision 3~~ 254B.052.

Sec. 2. Minnesota Statutes 2025 Supplement, section 245F.08, subdivision 3, is amended to read:

Subd. 3. **Peer recovery support services.** Peer recovery support services must meet the requirements in section ~~245G.07, subdivision 2a, paragraph (b), clause (2)~~ 254B.052, and must be provided by a person who is qualified according to the requirements in section ~~245F.15, subdivision 7~~ 245I.04, subdivisions 18 and 19.

Sec. 3. Minnesota Statutes 2024, section 245F.15, subdivision 7, is amended to read:

Subd. 7. **Recovery peer qualifications.** Recovery peers must:

(1) meet the qualifications in section 245I.04, subdivision 18; and

(2) provide services according to the scope of practice established in section 245I.04, subdivision 19~~, under the supervision of an alcohol and drug counselor~~.

Sec. 4. Minnesota Statutes 2024, section 245G.06, subdivision 4, is amended to read:

Subd. 4. **Service discharge summary.** (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination, excluding weekends and holidays. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section 254B.04, subdivision 4, and include the following information:

(1) the client's issues, strengths, and needs while participating in treatment, including services provided;

(2) the client's progress toward achieving each goal identified in the individual treatment plan;

(3) a risk rating and description for each of the ASAM six dimensions;

(4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);

(5) the client's living arrangements at service termination;

(6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and

(7) service termination diagnosis.

Sec. 5. Minnesota Statutes 2025 Supplement, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has completed 15 hours of education or training on substance use disorder, co-occurring conditions, and care coordination for individuals with substance use disorder or co-occurring conditions that is consistent with national evidence-based standards;

(4) meets one of the following criteria:

~~(i) has a bachelor's degree in one of the behavioral sciences or related fields;~~

~~(ii)~~ (i) has a high school diploma or equivalent; or

~~(iii)~~ (ii) is a mental health practitioner who meets the qualifications under section 245I.04, subdivision 4; and

(5) either has at least 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions or receives treatment supervision at least once per week until obtaining 1,000 hours of supervised experience working with individuals with substance use disorder or co-occurring conditions.

(b) A treatment coordinator must receive the following levels of supervision from an alcohol and drug counselor or a mental health professional whose scope of practice includes substance use disorder treatment and assessments:

(1) for a treatment coordinator that has not obtained 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per week; or

(2) for a treatment coordinator that has obtained at least 1,000 hours of supervised experience under paragraph (a), clause (5), at least one hour of supervision per month.

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

Sec. 6. Minnesota Statutes 2024, section 245G.11, subdivision 8, is amended to read:

Subd. 8. **Recovery peer qualifications.** A recovery peer must:

(1) meet the qualifications in section 245I.04, subdivision 18; and

(2) provide services according to the scope of practice established in section 245I.04, subdivision 19~~, under the supervision of an alcohol and drug counselor~~.

Sec. 7. Minnesota Statutes 2025 Supplement, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) An eligible vendor of comprehensive assessments under section 254B.0501 may determine the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the behavioral health fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

~~(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.~~

~~(c)~~ (b) If a screen result is positive for alcohol or substance misuse, a brief screening for alcohol or substance use disorder that is provided to a recipient of public assistance within a primary care clinic, hospital, or other medical setting or school setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.0505. The initial set of services approved for a recipient whose screen result is positive may include any combination of up to four hours of individual or group substance use disorder treatment, two hours of substance use disorder treatment coordination, or two hours of substance use disorder peer support services provided by a qualified individual according to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services. A comprehensive

assessment pursuant to section 245G.05 is not required to receive the initial set of services allowed under this subdivision. A positive screen result establishes eligibility for the initial set of services allowed under this subdivision.

~~(d)~~ (c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.

Sec. 8. Minnesota Statutes 2025 Supplement, section 254B.0501, subdivision 6, is amended to read:

Subd. 6. **Recovery community organizations.** (a) A recovery community organization that meets the requirements of clauses (1) to (15), complies with the training requirements in section 254B.052, subdivision 4, and meets certification requirements of the Minnesota Alliance of Recovery Community Organizations or another Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. If the commissioner does not identify another statewide recovery organization, or the Minnesota Alliance of Recovery Community Organizations or the statewide recovery organization identified by the commissioner is not reasonably positioned to certify vendors, the commissioner must determine the eligibility of a vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

(4) demonstrate ongoing community engagement with the identified primary region and population served by the organization, including individuals in recovery and their families, friends, and recovery allies;

(5) be accountable to the recovery community through documented priority-setting and participatory decision-making processes that promote the engagement of, and consultation with, people in recovery and their families, friends, and recovery allies;

(6) provide nonclinical peer recovery support services, including but not limited to recovery support groups, recovery coaching, telephone recovery support, skill-building, and harm-reduction activities, and provide recovery public education and advocacy;

(7) have written policies that allow for and support opportunities for all paths toward recovery and refrain from excluding anyone based on their chosen recovery path, which may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based paths;

(8) maintain organizational practices to meet the needs of Black, Indigenous, and people of color communities, LGBTQ+ communities, and other underrepresented or marginalized communities. Organizational practices may include board and staff training, service offerings, advocacy efforts, and culturally informed outreach and services;

(9) use recovery-friendly language in all media and written materials that is supportive of and promotes recovery across diverse geographical and cultural contexts and reduces stigma;

(10) establish and maintain a publicly available recovery community organization code of ethics and grievance policy and procedures;

(11) not classify or treat any recovery peer hired on or after July 1, 2024, as an independent contractor;

(12) not classify or treat any recovery peer as an independent contractor on or after January 1, 2025;

(13) provide an orientation for recovery peers that includes an overview of the consumer advocacy services provided by the Ombudsman for Mental Health and Developmental Disabilities and other relevant advocacy services;

(14) provide notice to peer recovery support services participants that includes the following statement: "If you have a complaint about the provider or the person providing your peer recovery support services, you may contact the Minnesota Alliance of Recovery Community Organizations. You may also contact the Office of Ombudsman for Mental Health and Developmental Disabilities." The statement must also include:

(i) the telephone number, website address, email address, and mailing address of the Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman for Mental Health and Developmental Disabilities;

(ii) the recovery community organization's name, address, email, telephone number, and name or title of the person at the recovery community organization to whom problems or complaints may be directed; and

(iii) a statement that the recovery community organization will not retaliate against a peer recovery support services participant because of a complaint; and

(15) comply with the requirements of section 245A.04, subdivision 15a.

(b) A recovery community organization approved by the commissioner before June 30, 2023, must have begun the application process as required by an approved certifying or accrediting entity

and have begun the process to meet the requirements under paragraph (a) by September 1, 2024, in order to be considered as an eligible vendor of peer recovery support services.

(c) A recovery community organization that is aggrieved by a certification determination and believes it meets the requirements under paragraph (a) may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause (14), for reconsideration as an eligible vendor. If the human services judge determines that the recovery community organization meets the requirements under paragraph (a), the recovery community organization is an eligible vendor of peer recovery support services for up to two years from the date of the determination. After two years, the recovery community organization must apply for certification under paragraph (a) to continue to be an eligible vendor of peer recovery support services.

(d) All recovery community organizations must be certified by an entity listed in paragraph (a) by June 30, ~~2027~~ 2026.

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

Sec. 9. Minnesota Statutes 2025 Supplement, section 254B.0505, subdivision 8, is amended to read:

Subd. 8. ~~**Peer recovery support services**~~ **Utilization review requirements.** Eligible vendors of ~~peer recovery support~~ services in subdivision 1, clauses (1) to (10), must~~:~~

~~(1)~~ submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity ~~of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and~~

~~(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services~~.

Sec. 10. Minnesota Statutes 2025 Supplement, section 254B.0505, is amended by adding a subdivision to read:

Subd. 9. **Monetary recovery.** Reimbursement for services authorized under this chapter that are not provided in accordance with this chapter are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 11. Minnesota Statutes 2025 Supplement, section 254B.0505, is amended by adding a subdivision to read:

Subd. 10. **Withdrawal management services.** For withdrawal management services provided by an eligible vendor that is licensed under chapter 245F as a clinically managed withdrawal management program or as a medically monitored withdrawal management program, utilization review, as defined in section 62M.02, is prohibited until five calendar days after the date of service initiation.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later.

Sec. 12. Minnesota Statutes 2024, section 254B.052, subdivision 1, is amended to read:

Subdivision 1. **Peer recovery support services; service requirements.** (a) Peer recovery support services are face-to-face interactions between a recovery peer and a client, on a one-on-one basis, in which specific goals identified in an individual recovery plan, treatment plan, or stabilization plan are discussed and addressed. Peer recovery support services are provided to promote a client's recovery goals, self-sufficiency, self-advocacy, and development of natural supports and to support maintenance of a client's recovery.

(b) Peer recovery support services must be provided according to (1) an individual recovery plan if provided by a recovery community organization or county, (2) a treatment plan if provided in either a substance use disorder treatment program under chapter 245G~~,~~ or a Tribally licensed substance use disorder treatment program, or (3) a stabilization plan if provided by a withdrawal management program under chapter 245F.

(c) A client receiving peer recovery support services must participate in the services voluntarily. Any program that incorporates peer recovery support services must provide written notice to the client that peer recovery support services will be provided.

(d) Peer recovery support services may not be provided to a client residing with or employed by a recovery peer from whom ~~they receive~~ the client receives services.

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

Sec. 13. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision to read:

Subd. 7. **Billing limits.** Eligible vendors of peer recovery support services must limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

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

Sec. 14. Minnesota Statutes 2024, section 256B.0759, subdivision 3, is amended to read:

Subd. 3. **Provider standards.** (a) ~~The commissioner must establish requirements for participating providers that are consistent with the federal requirements of the demonstration project.~~ The following programs that receive payment for substance use disorder treatment services under section 256B.0625 must enroll as a Minnesota Health Care Programs provider, meet the requirements established by the commissioner, and certify that the program meets the applicable American Society of Addiction Medicine (ASAM) levels of care according to section 254B.19:

(1) nonresidential substance use disorder treatment programs and residential treatment programs licensed under chapter 245G as licensed substance use disorder treatment facilities;

(2) withdrawal management programs licensed under chapter 245F; and

(3) out-of-state residential substance use disorder treatment programs.

Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(b) A participating residential provider must obtain applicable licensure under chapter 245F or 245G or other applicable standards for the services provided and must:~~

~~(1) deliver services in accordance with standards published by the commissioner pursuant to paragraph (d);~~

~~(2) maintain formal patient referral arrangements with providers delivering step-up or step-down levels of care in accordance with ASAM standards; and~~

~~(3) offer substance use disorder treatment services with medications for opioid use disorder on site or facilitate access to substance use disorder treatment services with medications for opioid use disorder off site.~~

~~(c) A participating outpatient provider must obtain applicable licensure under chapter 245G or other applicable standards for the services provided and must:~~

~~(1) deliver services in accordance with standards published by the commissioner pursuant to paragraph (d); and~~

~~(2) maintain formal patient referral arrangements with providers delivering step-up or step-down levels of care in accordance with ASAM standards.~~

~~(d) If the provider standards under chapter 245G or other applicable standards conflict or are duplicative, the commissioner may grant variances to the standards if the variances do not conflict with federal requirements. The commissioner must publish service components, service standards, and staffing requirements for participating providers that are consistent with ASAM standards and federal requirements by October 1, 2020.~~

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that (1) receive payment under this chapter, (2) are licensed as a hospital under sections 144.50 to 144.581, and (3) provide only ASAM level 3.7 medically monitored inpatient level of care are not required to certify the ASAM 3.7 level of care. If a program described in this paragraph provides any additional ASAM levels of care, the program must certify those levels of care according to section 254B.19. Programs meeting the criteria in this paragraph must submit evidence of providing the required level of care to the commissioner to be exempt from enrolling in the demonstration.

(c) Tribally licensed programs that otherwise meet the requirements of subdivision 3 may elect to participate in the demonstration project. The Department of Human Services must consult with Tribal Nations to discuss participation in the substance use disorder demonstration project.

(d) Programs subject to this section must:

(1) deliver services in accordance with section 254B.19; and

(2) offer substance use disorder treatment services with medications for opioid use disorder on site or facilitate timely access to medications for opioid use disorder off site.

Sec. 15. Minnesota Statutes 2025 Supplement, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) ~~Payment rates for participating~~ Providers must ~~be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall~~ be reimbursed at rates according to section 254B.0505, subdivision 1. ~~Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.~~

~~(b) The commissioner may temporarily suspend payments to the provider according to section 256B.04, subdivision 21, paragraph (d), if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.~~

~~(c) For outpatient individual and group substance use disorder services under section 254B.0505, subdivision 1, clause (1), and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.~~

~~(d)~~ (b) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the ~~criteria described in paragraph (a) who~~ requirements of section 254B.19 that are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraph ~~(c)~~ (a). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

~~(e)~~ (c) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph ~~(d)~~ (b) applies must allow recovery of payments from those providers if, for any contract year, federal approval for the provisions of paragraph ~~(d)~~ (b) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

~~(f)~~ (d) For substance use disorder services with medications for opioid use disorder under section 254B.0505, subdivision 1, clause (7), provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020. Upon implementation of new rates according to section 254B.121, the 20 percent increase will no longer apply.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2024, section 256B.0759, subdivisions 2 and 5, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 254B.052, subdivision 6, is repealed.

ARTICLE 4

DIRECT CARE AND TREATMENT POLICY

Section 1. Minnesota Statutes 2024, section 3.7381, is amended to read:

3.7381 LOSS, DAMAGE, OR DESTRUCTION OF PROPERTY; STATE INSTITUTIONS; CORRECTIONAL FACILITIES.

(a) The commissioners of ~~human services,~~ veterans affairs~~,~~ or corrections or the Direct Care and Treatment executive board, as appropriate, shall determine, adjust, and settle, at any time, claims and demands of $7,000 or less arising from negligent loss, damage, or destruction of property of a patient of a state institution under the control of the Direct Care and Treatment executive board or the commissioner of veterans affairs or an inmate of a state correctional facility.

(b) A claim of more than $7,000, or a claim that was not paid by the appropriate department or agency may be presented to, heard, and determined by the appropriate committees of the senate and the house of representatives and, if approved, shall be paid pursuant to legislative claims procedure.

(c) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies.

Sec. 2. Minnesota Statutes 2024, section 13.04, subdivision 4a, is amended to read:

Subd. 4a. **Sex offender program data; challenges.** Notwithstanding subdivision 4, challenges to the accuracy or completeness of data maintained by the Direct Care and Treatment sex offender program about a civilly committed sex offender as defined in section 246B.01, subdivision 1a, must be submitted in writing to the data practices compliance official of Direct Care and Treatment or a delegee. The data practices compliance official or a delegee must respond to the challenge as provided in this section.

Sec. 3. Minnesota Statutes 2024, section 13.384, subdivision 1, is amended to read:

Subdivision 1. ~~**Definition**~~ **Definitions.** As used in this section:

(a) "Directory information" means name of the patient, date admitted, and general condition.

(b) "Medical data" are data collected because an individual was or is a patient or client of a hospital, nursing home, medical center, clinic, health or nursing agency operated by a government entity including business and financial records, data provided by private health care facilities, and data provided by or about relatives of the individual. Medical data does not include data collected, maintained, used, or disseminated by Direct Care and Treatment.

Sec. 4. Minnesota Statutes 2024, section 13.46, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "Individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including but not limited to Native American Tribe programs that provide a service component of the welfare system, the Minnesota family investment program, medical assistance, general assistance, general assistance medical care formerly codified in chapter 256D, the child care assistance program, and child support collections.

(c) "Welfare system" includes the Department of Human Services; Direct Care and Treatment; the Department of Children, Youth, and Families; local social services agencies; county welfare agencies; county public health agencies; county veteran services agencies; county housing agencies; private licensing agencies; the public authority responsible for child support enforcement; human services boards; community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and developmental disabilities; Native American Tribes to the extent a Tribe provides a service component of the welfare system; and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, ~~Direct Care and Treatment mental health services,~~ or the ombudsman for mental health and developmental disabilities.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense.

(f) "Private licensing agency" means an agency licensed by the commissioner of children, youth, and families under chapter 142B to perform the duties under section 142B.30.

Sec. 5. Minnesota Statutes 2025 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent or investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security or individual taxpayer identification numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from a SNAP applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food and Nutrition Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 142A.29, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 518A.81, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 142F, 256D, 256J,

or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services; Department of Children, Youth, and Families; Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c); Department of Health; Department of Employment and Economic Development; and other state agencies as is reasonably necessary to perform these functions;

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 142E may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;

(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

(e) For the purposes of this subdivision, a request ~~will be~~ is deemed to be made in writing if made through a computer interface system.

(f) Direct Care and Treatment may disclose data pursuant to this subdivision regardless of any restrictions on disclosure of that data under sections 144.291 to 144.298.

(g) Notwithstanding section 144.2925, Direct Care and Treatment may disclose data as permitted by law.

(h) Direct Care and Treatment may disclose welfare system data held by the agency to facilitate coordination of guardianship services for Direct Care and Treatment clients, including but not limited to making disclosures in guardianship proceedings, identifying potential guardians, communicating with guardianship legal representation, and reporting complaints to the Minnesota Judicial Branch or the Office of Ombudsman for Mental Health and Developmental Disabilities. Direct Care and Treatment must obtain the client's consent to the disclosure except when the client:

(1) lacks capacity to provide the consent; or

(2) has a current legal guardian who is unavailable, is nonresponsive, or refuses to authorize the disclosure in relation to complaints to the Minnesota Judicial Branch or Office of Ombudsman for Mental Health and Developmental Disabilities.

Sec. 6. Minnesota Statutes 2024, section 182.6545, is amended to read:

182.6545 RIGHTS OF NEXT OF KIN UPON DEATH.

In the case of a death of an employee, the department shall make reasonable efforts to locate the employee's next of kin and shall mail to them copies of the following:

(1) citations and notification of penalty;

(2) notices of hearings;

(3) complaints and answers;

(4) settlement agreements;

(5) orders and decisions; and

(6) notices of appeals.

In addition, the next of kin shall have the right to request a consultation with the department regarding citations and notification of penalties issued as a result of the investigation of the employee's death. For the purposes of this section, "next of kin" refers to the nearest proper relative as that term is defined by section 253B.03, subdivision 6, paragraph (b), clause ~~(3)~~ (10).

Sec. 7. **[246C.051] CLASSIFICATION ALIGNMENT FOR DIRECT CARE AND TREATMENT EMPLOYEES.**

(a) Notwithstanding section 43A.08; Minnesota Rules, part 3900.1300; or any other law to the contrary, Direct Care and Treatment may, with approval from Minnesota Management and Budget, convert employees deemed unclassified pursuant to pilot authority of the Department of Human Services under Laws 1997, chapter 97, section 18, into the classified service.

(b) Employees converted to the classified service pursuant to this section are subject to the terms and conditions of employment applicable to positions in the classified service pursuant to statute, rule, bargaining unit or compensation plan, and agency policy, including but not limited to required probationary periods and mandatory training requirements.

(c) Employees converted to the classified service pursuant to this section must not receive a reduction in salary at the time of the conversion.

Sec. 8. Minnesota Statutes 2024, section 253B.03, subdivision 6, is amended to read:

Subd. 6. **Consent for medical procedure.** (a) A patient has the right to give prior consent to any medical ~~or surgical~~ treatment, including but not limited to surgery, other than treatment for chemical dependency or nonintrusive treatment for mental illness. For purposes of this subdivision only, "patient" includes a person committed under chapter 253D who is in a state-operated treatment program.

(b) The following procedures shall be used to obtain consent for any treatment necessary to preserve the life or health of any committed patient:

(1) the written, informed consent of a competent adult patient for the treatment is sufficient;

(2) if the patient is subject to guardianship which includes the provision of medical care, the written, informed consent of the guardian for the treatment is sufficient;

(3) for a patient in a treatment facility, if the head of the treatment facility ~~or state-operated treatment program~~ determines that the patient is not competent to consent to the treatment and the patient has not been adjudicated incompetent, written, informed consent for the ~~surgery or~~ medical treatment shall be obtained from the person appointed the health care power of attorney, the patient's agent under the health care directive, or the nearest proper relative. ~~For this purpose, the following persons are proper relatives, in the order listed: the patient's spouse, parent, adult child, or adult sibling.~~ If the nearest proper ~~relatives~~ relative cannot be located, ~~refuse~~ refuses to consent to the procedure, or ~~are~~ is unable to consent, the head of the treatment facility ~~or state-operated treatment program~~ or an interested person, as defined by section 524.5-102, subdivision 7, may petition the committing court for approval for the treatment or may petition a court of competent jurisdiction for the appointment of a guardian. The determination that the patient is not competent, and the reasons for the determination, shall be documented in the patient's clinical record;

(4) for patients in a state-operated treatment program, if (i) the patient does not have a health care power of attorney or an agent under a health care directive or the patient's health care agent is not reasonably available to make the necessary health care decision for the patient, and (ii) the patient's treating physician determines that the patient lacks decision-making capacity to consent to

the medical treatment, the state-operated treatment program must make a good faith attempt to locate the patient's nearest proper relative to obtain written informed consent for the medical treatment;

(5) if the state-operated treatment program is unable to reasonably locate a proper relative, the executive medical director has decision-making authority for the health care decision for the patient;

(6) any health care decision made by the executive medical director under clause (5) must be consistent with any documented patient health care directive and with reasonable medical practice and applicable law;

(7) if the state-operated treatment program consults with the patient's nearest proper relative under clause (4) and the patient's nearest proper relative and the patient's treating physician are not in agreement with respect to a medical treatment decision, the state-operated treatment program or an interested person may petition the committing court for approval of the treatment. The state-operated program may also petition a court of competent jurisdiction for the appointment of a guardian at any time. If a court determines that a patient is not competent, the determination and the reasons for the determination must be documented in the patient's clinical record;

(8) before proceeding with treatment under clause (5), a state-operated treatment program must inform the patient of the determination, the proposed treatment, and the right to request review. Upon the request of the patient or an interested person a second physician not directly involved in the patient's current treatment must review the incapacity determination. The executive medical director must review the proposed treatment decision and the second physician's review and make an updated determination. A state-operated treatment program may proceed with treatment of the patient while a review under this clause is pending;

(9) if a patient or interested person is dissatisfied with the outcome of the review under clause (8), the patient or interested person may petition the committing court under section 253B.17 for review of the determination made under clause (8). Filing a petition under section 253B.17 does not stay treatment under this subdivision unless otherwise ordered by the court. In reviewing the executive medical director's decision under clause (8) and issuing a determination, the court must determine if the patient lacks capacity. If the patient lacks capacity, the court must determine if the patient clearly stated what the patient would choose to do in the situation when the patient had the capacity to make a reasoned decision. Evidence of the patient's wishes may include written instruments, including a durable power of attorney for health care under chapter 145C or a declaration under section 253B.03, subdivision 6d. If the court finds that the patient clearly stated what the patient would choose to do in the situation, the patient's wishes must be followed. If the court determines that the evidence of the patient's wishes regarding the situation is conflicting or lacking, the court must make a decision based on what a reasonable person would do, taking into consideration:

(i) the patient's family, community, moral, religious, and social values;

(ii) the medical risks, benefits, and alternatives to the proposed treatment;

(iii) past efficacy and any extenuating circumstances of past experience with the particular medical treatment; and

(iv) any other relevant factors;

(10) for purposes of this subdivision, the following persons are proper relatives, in the order listed: the patient's spouse, parent, adult child, or adult sibling;

~~(4)~~ (11) consent to treatment of any minor patient shall be secured in accordance with sections 144.341 to 144.346. A minor 16 years of age or older may consent to hospitalization, routine diagnostic evaluation, and emergency or short-term acute care; and

~~(5)~~ (12) in the case of an emergency when the persons ordinarily qualified to give consent cannot be located in sufficient time to address the emergency need, the head of the treatment facility or state-operated treatment program may give consent.

(c) No person who consents to treatment pursuant to the provisions of this subdivision shall be civilly or criminally liable for the performance or the manner of performing the treatment. No person shall be liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision shall not affect any other liability which may result from the manner in which the treatment is performed.

(d) When a determination is made under paragraph (b), clauses (5) and (8), the state-operated treatment program must document the following information in the patient's clinical record:

(1) the determination of incapacity and the clinical basis for the determination;

(2) the specific treatment authorized;

(3) the person who provided consent or who made the determination allowing the treatment;

(4) the efforts made to locate and consult with a health care agent or nearest proper relative; and

(5) the patient's expressed preferences regarding the treatment, if known, and how the preferences were considered.

(e) The executive medical director must review a determination that a patient lacks capacity periodically as medically appropriate, but not less than every six months. The outcome of a review under this paragraph must be documented in the patient's clinical record.

Sec. 9. Minnesota Statutes 2025 Supplement, section 253B.18, subdivision 6, is amended to read:

Subd. 6. **Transfer.** (a) A patient who is a person who has a mental illness and is dangerous to the public shall not be transferred out of a secure treatment facility unless it appears to the satisfaction of the executive board, after a hearing and favorable recommendation by a majority of the special review board, that the transfer is appropriate. Transfer may be to another state-operated treatment program. In those instances where a commitment also exists to the Department of Corrections, transfer may be to a facility designated by the commissioner of corrections.

(b) The following factors must be considered in determining whether a transfer is appropriate:

(1) the person's clinical progress and present treatment needs;

(2) the need for security to accomplish continuing treatment;

(3) the need for continued institutionalization;

(4) which facility can best meet the person's needs; and

(5) whether transfer can be accomplished with a reasonable degree of safety for the public.

(c) If a committed person has been transferred out of a secure treatment facility pursuant to this subdivision, that committed person may voluntarily return to a secure treatment facility ~~for a period of up to 60 days~~ with the consent of the head of the treatment facility~~.~~ for a period of up to:

(1) 90 days if due to a psychiatric medical condition; or

(2) six months if due to a nonpsychiatric medical condition.

(d) If the committed person is not returned to the original, nonsecure transfer facility within ~~60~~ 90 days of being readmitted to a secure treatment facility if due to a psychiatric medical condition or within six months of being readmitted to a secure treatment facility if due to a nonpsychiatric medical condition, the transfer is revoked and the committed person must remain in a secure treatment facility. The committed person must immediately be notified in writing of the revocation.

(e) Within 15 days of receiving notice of the revocation, the committed person may petition the special review board for a review of the revocation. The special review board shall review the circumstances of the revocation and shall recommend to the executive board whether or not the revocation should be upheld. The special review board may also recommend a new transfer at the time of the revocation hearing.

(f) No action by the special review board is required if the transfer has not been revoked and the committed person is returned to the original, nonsecure transfer facility with no substantive change to the conditions of the transfer ordered under this subdivision.

(g) The head of the treatment facility may revoke a transfer made under this subdivision and require a committed person to return to a secure treatment facility if:

(1) remaining in a nonsecure setting does not provide a reasonable degree of safety to the committed person or others; or

(2) the committed person has regressed clinically and the facility to which the committed person was transferred does not meet the committed person's needs.

(h) Upon the revocation of the transfer, the committed person must be immediately returned to a secure treatment facility. A report documenting the reasons for revocation must be issued by the head of the treatment facility within seven days after the committed person is returned to the secure treatment facility. Advance notice to the committed person of the revocation is not required.

(i) The committed person must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a committed person under this section. The revocation report must be served upon the committed person, the committed person's counsel, and the designated agency.

The report must outline the specific reasons for the revocation, including but not limited to the specific facts upon which the revocation is based.

(j) If a committed person's transfer is revoked, the committed person may re-petition for transfer according to subdivision 5.

(k) A committed person aggrieved by a transfer revocation decision may petition the special review board within seven business days after receipt of the revocation report for a review of the revocation. The matter must be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in paragraph (b), shall recommend to the executive board whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 253B.18, subdivision 14, is amended to read:

Subd. 14. **Voluntary readmission.** (a) With the consent of the head of the treatment facility or state-operated treatment program, a patient may voluntarily return from provisional discharge with the consent of the designated agency for a period of up to:

(1) 30 days~~, or~~;

(2) ~~up to 60~~ 90 days ~~with the consent of the designated agency.~~ if due to a psychiatric medical condition; or

(3) six months if due to a nonpsychiatric medical condition.

(b) If the patient is not returned to provisional discharge status within ~~60~~ 90 days of being readmitted if due to a psychiatric medical condition or within six months of being readmitted if due to a nonpsychiatric medical condition, the provisional discharge is revoked. Within 15 days of receiving notice of the change in status, the patient may request a review of the matter before the special review board. The special review board may recommend a return to a provisional discharge status.

~~(b)~~ (c) The treatment facility or state-operated treatment program is not required to petition for a further review by the special review board unless the patient's return to the community results in substantive change to the existing provisional discharge plan. All the terms and conditions of the provisional discharge order shall remain unchanged if the patient is released again.

EFFECTIVE DATE. This section is effective July 1, 2026.

ARTICLE 5

DEPARTMENT OF HEALTH LONG-TERM CARE POLICY

Section 1. Minnesota Statutes 2024, section 144.56, subdivision 2b, is amended to read:

Subd. 2b. **Boarding care homes.** The commissioner shall not adopt or enforce any rule that limits:

(1) a certified boarding care home from providing nursing services in accordance with the home's Medicaid certification; or

(2) a noncertified boarding care home ~~registered under chapter 144D~~ from providing home care services in accordance with the home's registration.

Sec. 2. Minnesota Statutes 2024, section 144.586, subdivision 2, is amended to read:

Subd. 2. **Postacute care discharge planning.** (a) Each hospital, including hospitals designated as critical access hospitals, must comply with the federal hospital requirements for discharge planning, which include:

(1) conducting a discharge planning evaluation that includes an evaluation of:

(i) the likelihood of the patient needing posthospital services and of the availability of those services; and

(ii) the patient's capacity for self-care or the possibility of the patient being cared for in the environment from which the patient entered the hospital;

(2) timely completion of the discharge planning evaluation under clause (1) by hospital personnel so that appropriate arrangements for posthospital care are made before discharge, and to avoid unnecessary delays in discharge;

(3) including the discharge planning evaluation under clause (1) in the patient's medical record for use in establishing an appropriate discharge plan. The hospital must discuss the results of the evaluation with the patient or individual acting on behalf of the patient. The hospital must reassess the patient's discharge plan if the hospital determines that there are factors that may affect continuing care needs or the appropriateness of the discharge plan; and

(4) providing counseling, as needed, for the patient and family members or interested persons to prepare them for posthospital care. The hospital must provide a list of available Medicare-eligible home care agencies or skilled nursing facilities that serve the patient's geographic area, or other area requested by the patient if such care or placement is indicated and appropriate. Once the patient has designated their preferred providers, the hospital will assist the patient in securing care covered by their health plan or within the care network. The hospital must not specify or otherwise limit the qualified providers that are available to the patient. The hospital must document in the patient's record that the list was presented to the patient or to the individual acting on the patient's behalf.

(b) Each hospital, including hospitals designated as critical access hospitals, must document in the patient's discharge plan instances when a restraint was used to manage the patient's behavior prior to discharge, including the type of restraint, duration, and frequency. In cases where the patient is transferred to a licensed or registered provider, the hospital must notify the provider of the type, duration, and frequency of the restraint. "Restraint" has the meaning given in section 144G.08, subdivision 61a.

Sec. 3. Minnesota Statutes 2024, section 144.6502, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of health.

(c) "Department" means the Department of Health.

(d) "Electronic monitoring" means the placement and use of an electronic monitoring device in the resident's room or private living unit in accordance with this section.

(e) "Electronic monitoring device" means a camera or other device that captures, records, or broadcasts audio, video, or both, that is placed in a resident's room or private living unit and is used to monitor the resident or activities in the room or private living unit.

(f) "Facility" means a facility that is:

(1) licensed as a nursing home under chapter 144A;

(2) licensed as a boarding care home under sections 144.50 to 144.56; or

~~(3) until August 1, 2021, a housing with services establishment registered under chapter 144D that is either subject to chapter 144G or has a disclosed special unit under section 325F.72; or~~

~~(4) on or after August 1, 2021,~~ (3) licensed as an assisted living facility under chapter 144G.

(g) "Resident" means a person 18 years of age or older residing in a facility.

(h) "Resident representative" means one of the following in the order of priority listed, to the extent the person may reasonably be identified and located:

(1) a court-appointed guardian;

(2) a health care agent as defined in section 145C.01, subdivision 2; or

(3) a person who is not an agent of a facility or of a home care provider designated in writing by the resident and maintained in the resident's records on file with the facility.

Sec. 4. **[144A.082] AUTOMATIC EXTERNAL DEFIBRILLATOR.**

(a) For purposes of this section, "automatic external defibrillator" has the meaning given in section 403.51, subdivision 1.

(b) A nursing home must:

(1) maintain an automatic external defibrillator in each building on the nursing home campus where residents may be present;

(2) ensure each automatic external defibrillator is maintained and regularly tested according to the manufacturer's recommendations; and

(3) as part of initial orientation and annually thereafter, ensure all nursing home personnel receive training in cardiopulmonary resuscitation, the use of automatic external defibrillators, the nursing home's process for checking a resident's code status before initiating lifesaving measures, and requesting emergency medical assistance as soon as practicable after an automatic external defibrillator is used.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 5. **[144A.104] PROHIBITED CONDITION FOR ADMISSION OR CONTINUED RESIDENCE.**

A nursing home is prohibited from requiring a current or prospective resident to have or obtain a guardian or conservator as a condition of admission to or continued residence in the nursing home.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 144A.161, subdivision 1a, is amended to read:

Subd. 1a. **Scope.** Where a facility is undertaking a closure, reduction, or change in operations, ~~or where a housing with services unit registered under chapter 144D is closed because the space that it occupies is being replaced by a nursing facility bed that is being reactivated from layaway status,~~ the facility and the county social services agency must comply with the requirements of this section.

Sec. 7. Minnesota Statutes 2024, section 144A.472, subdivision 5, is amended to read:

Subd. 5. **Changes in ownership.** (a) A home care license issued by the commissioner may not be transferred to another party. Before acquiring ownership of or a controlling interest in a home care provider business, a prospective owner must apply for a new license. A change of ownership is a transfer of operational control of the home care provider business and includes:

(1) transfer of the business to a different or new corporation;

(2) in the case of a partnership, the dissolution or termination of the partnership under chapter 323A, with the business continuing by a successor partnership or other entity;

(3) relinquishment of control of the provider to another party, including to a contract management firm that is not under the control of the owner of the business' assets;

(4) transfer of the business by a sole proprietor to another party or entity; or

(5) transfer of ownership or control of 50 percent or more of the controlling interest of a home care provider business not covered by clauses (1) to (4).

(b) An employee who was employed by the previous owner of the home care provider business prior to the effective date of a change in ownership under paragraph (a), and who will be employed by the new owner in the same or a similar capacity, shall be treated as if no change in employer occurred, with respect to orientation, training, tuberculosis testing, background studies, and competency testing and training on the policies identified in subdivision 1, clause (14), and subdivision 2, if applicable.

(c) Notwithstanding paragraph (b), a new owner of a home care provider business must ensure that employees of the provider receive and complete training and testing on any provisions of policies that differ from those of the previous owner within 90 days after the date of the change in ownership.

(d) After a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership. Additionally, the new licensee is responsible for bringing the facility into compliance with all existing ordered, imposed, or agreed-upon corrections and conditions.

Sec. 8. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (b) and imposed immediately with no opportunity to correct the violation first as follows:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of $500 per violation, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(3) Level 3, a fine of $1,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(4) Level 4, a fine of $3,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(5) Level 5, a fine of $5,000 per violation, in addition to any enforcement mechanism authorized in section 144A.475; and

(6) for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of $1,000. A fine of $5,000 may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized for both surveys and investigations conducted.

When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

(b) Correction orders for violations are categorized by both level and scope and fines shall be assessed as follows:

(1) level of violation:

(i) Level 1 is a violation that will cause only minimal impact on the client and does not affect health or safety;

(ii) Level 2 is a violation that did not harm a client's health or safety but had the potential to have harmed a client's health or safety, but was not likely to cause serious injury, impairment, or death;

(iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had the potential to cause more than minimal harm to the client;

(iv) Level 4 is a violation that harmed a client's health or safety, not including serious injury or death, or a violation that was likely to lead to serious injury or death; and

(v) Level 5 is a violation that results in serious injury or death; and

(2) scope of violation:

(i) isolated, when one or a limited number of clients are affected or one or a limited number of staff are involved or the situation has occurred only occasionally;

(ii) pattern, when more than a limited number of clients are affected, more than a limited number of staff are involved, or the situation has occurred repeatedly but is not found to be pervasive; and

(iii) widespread, when problems are pervasive or represent a systemic failure that has affected or has the potential to affect a large portion or all of the clients.

(c) If the commissioner finds that the applicant or a home care provider has not corrected violations by the date specified in the correction order or conditional license resulting from a survey or complaint investigation, the commissioner shall provide a notice of noncompliance with a correction order by email to the applicant's or provider's last known email address. The noncompliance notice must list the violations not corrected.

(d) For every violation identified by the commissioner, the commissioner shall issue an immediate fine pursuant to paragraph (a). The license holder must still correct the violation in the time specified. The issuance of an immediate fine can occur in addition to any enforcement mechanism authorized under section 144A.475. The immediate fine may be appealed as allowed under this subdivision.

(e) The license holder must pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies by paying the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(f) A license holder shall promptly notify the commissioner in writing when a violation specified in the order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order, the commissioner may issue a second fine. The commissioner shall notify the license holder by mail to the last known address in the licensing record that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(g) A home care provider that has been assessed a fine under this subdivision has a right to a reconsideration or a hearing under this section and chapter 14.

(h) When a fine has been assessed, the license holder may not avoid payment by closing~~, selling, or otherwise transferring the licensed program to a third party~~ the license. In such an event, the license holder shall be liable for payment of the fine. In the event of a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation.

(i) In addition to any fine imposed under this section, the commissioner may assess a penalty amount based on costs related to an investigation that results in a final order assessing a fine or other enforcement action authorized by this chapter.

(j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799. The commissioner must publish on the department's website an annual report on the fines assessed and collected, and how the appropriated money was allocated.

Sec. 9. Minnesota Statutes 2024, section 144A.72, subdivision 2, is amended to read:

Subd. 2. **Penalties.** (a) Failure to comply with this section shall subject the supplemental nursing services agency to revocation or nonrenewal of its registration. Violations of section 144A.74 are subject to a fine equal to 200 percent of the amount billed or received in excess of the maximum permitted under that section.

(b) The commissioner may request and must be given access to relevant information, records, incident reports, or other documents in the possession of a registered supplemental nursing services agency if considered necessary by the commissioner for verification purposes. If access is denied, the commissioner may bring enforcement action.

Sec. 10. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 26a. **Imminent risk.** "Imminent risk" means an immediate and impending threat to the health, safety, or rights of an individual.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 54a. **Prone restraint.** "Prone restraint" means the use of manual restraint that places a resident in a face-down position. Prone restraint does not include the brief physical holding of a resident who, during an emergency use of a manual restraint, rolls into a prone position and as quickly as possible the resident is restored to a standing, sitting, or side-lying position.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 12. Minnesota Statutes 2024, section 144G.08, is amended by adding a subdivision to read:

Subd. 61a. **Restraint.** "Restraint" means:

(1) chemical restraint, as defined in section 245D.02, subdivision 3b;

(2) manual restraint, as defined in section 245D.02, subdivision 15a;

(3) mechanical restraint, as defined in section 245D.02, subdivision 15b; or

(4) any other form of restraint that limits the free and normal movement of body or limbs.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 144G.19, is amended by adding a subdivision to read:

Subd. 6. **Correction orders and fines.** After a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation. Additionally, the new licensee is responsible for bringing the facility into compliance with all existing ordered, imposed, or agreed-upon corrections and conditions.

Sec. 14. Minnesota Statutes 2024, section 144G.31, subdivision 6, is amended to read:

Subd. 6. **Payment of fines required.** When a fine has been assessed, the licensee may not avoid payment by closing~~, selling, or otherwise transferring the license to a third party~~ the license. In such an event, the licensee shall be liable for payment of the fine. In the event of a change of ownership, the new licensee is responsible for any outstanding fines and any fines assessed following the effective date of the change of ownership regardless of the date of the violation.

Sec. 15. Minnesota Statutes 2024, section 144G.40, subdivision 2, is amended to read:

Subd. 2. **Uniform checklist disclosure of information and services.** (a) All assisted living facilities must provide to prospective residents:

(1) a disclosure of the categories of assisted living licenses available and the category of license held by the facility;

(2) a written checklist listing all services permitted under the facility's license, identifying all services the facility offers to provide under the assisted living facility contract, and identifying all services allowed under the license that the facility does not provide; ~~and~~

(3) an oral explanation of the services offered under the contract~~.~~;

(4) a copy of the most recent Department of Health survey of the facility;

(5) a list of all correction orders issued against and fines imposed on the facility in the previous three years and the results of all complaint investigations concerning the facility in the previous three years; and

(6) the website for the Department of Human Services and Board on Aging assisted living report card.

(b) The requirements of paragraph (a) must be completed prior to the execution of the assisted living contract.

(c) The commissioner must, in consultation with all interested stakeholders, design the uniform checklist disclosure form for use as provided under paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 144G.41, subdivision 1, is amended to read:

Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

(1) distribute to residents the assisted living bill of rights;

(2) provide services in a manner that complies with the Nurse Practice Act in sections 148.171 to 148.285;

(3) utilize a person-centered planning and service delivery process;

(4) have and maintain a system for delegation of health care activities to unlicensed personnel by a registered nurse, including supervision and evaluation of the delegated activities as required by the Nurse Practice Act in sections 148.171 to 148.285;

(5) provide a means for residents to request assistance for health and safety needs 24 hours per day, seven days per week, and maintain a log of resident requests for assistance and staff responses including, for each request, the time that elapsed between the resident's communication of the request and the staff response. The facility must retain a log for at least five years after the most recent request and response in the log;

(6) allow residents the ability to furnish and decorate the resident's unit within the terms of the assisted living contract;

(7) permit residents access to food at any time;

(8) allow residents to choose the resident's visitors and times of visits;

(9) allow the resident the right to choose a roommate if sharing a unit;

(10) notify the resident of the resident's right to have and use a lockable door to the resident's unit. The licensee shall provide the locks on the unit. Only a staff member with a specific need to enter the unit shall have keys, and advance notice must be given to the resident before entrance, when possible. An assisted living facility must not lock a resident in the resident's unit;

(11) develop and implement a staffing plan for determining its staffing level that:

(i) includes an evaluation, to be conducted at least twice a year, of the appropriateness of staffing levels in the facility;

(ii) ensures sufficient staffing at all times to meet the scheduled and reasonably foreseeable unscheduled needs of each resident as required by the residents' assessments and service plans on a 24-hour per day basis; and

(iii) ensures that the facility can respond promptly and effectively to individual resident emergencies and to emergency, life safety, and disaster situations affecting staff or residents in the facility;

(12) ensure that one or more persons are available 24 hours per day, seven days per week, who are responsible for responding to the requests of residents for assistance with health or safety needs. Such persons must be:

(i) awake;

(ii) located in the same building, in an attached building, or on a contiguous campus with the facility in order to respond within a reasonable amount of time;

(iii) capable of communicating with residents;

(iv) capable of providing or summoning the appropriate assistance; and

(v) capable of following directions; and

(13) provide staff access to an on-call registered nurse 24 hours per day, seven days per week;

(14) ensure a plan to immediately attend to resident needs in a medical emergency is implemented; and

(15) ensure that a person trained in emergency medical response is on site 24 hours per day, seven days per week.

EFFECTIVE DATE. This section is effective July 1, 2026.

Sec. 17. Minnesota Statutes 2024, section 144G.41, subdivision 2, is amended to read:

Subd. 2. **Policies and procedures.** (a) Each assisted living facility must have policies and procedures in place to address the following ~~and keep them current~~:

(1) requirements in section 626.557, reporting of maltreatment of vulnerable adults;

(2) conducting and handling background studies on employees;

(3) orientation, training, and competency evaluations of staff, and a process for evaluating staff performance;

(4) handling complaints regarding staff or services provided by staff;

(5) conducting initial evaluations of residents' needs and the providers' ability to provide those services;

(6) conducting initial and ongoing resident evaluations and assessments of resident needs, including assessments by a registered nurse or appropriate licensed health professional, and how changes in a resident's condition are identified, managed, and communicated to staff and other health care providers as appropriate;

(7) orientation to and implementation of the assisted living bill of rights;

(8) infection control practices;

(9) reminders for medications, treatments, or exercises, if provided;

(10) conducting appropriate screenings, or documentation of prior screenings, to show that staff are free of tuberculosis, consistent with current United States Centers for Disease Control and Prevention standards;

(11) ensuring that nurses and licensed health professionals have current and valid licenses to practice;

(12) medication and treatment management;

(13) delegation of tasks by registered nurses or licensed health professionals;

(14) supervision of registered nurses and licensed health professionals; ~~and~~

(15) supervision of unlicensed personnel performing delegated tasks~~.~~; and

(16) emergency medical procedures initiated when a resident is experiencing a medical emergency event, including but not limited to a resident falling, having a heart event, having difficulty breathing, bleeding, or choking.

(b) Each assisted living facility must keep all policies and procedures current and make them available to a resident or the resident's representative upon request. Policies and procedures covering emergency medical situations must be provided to prospective residents before admission to an assisted living facility and provided to current residents at the time of a nursing assessment as required under section 144G.70, subdivision 2.

Sec. 18. Minnesota Statutes 2024, section 144G.41, is amended by adding a subdivision to read:

Subd. 9. **Automatic external defibrillator.** (a) For purposes of this subdivision, "automatic external defibrillator" has the meaning given in section 403.51, subdivision 1.

(b) A facility must:

(1) maintain an automatic external defibrillator in each building on the assisted living facility campus where residents may be present; and

(2) ensure each automatic external defibrillator is maintained and regularly tested according to the manufacturer's recommendations.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 19. **[144G.505] PROHIBITED CONDITION OF ADMISSION OR CONTINUED RESIDENCE.**

An assisted living facility is prohibited from requiring a current or prospective resident to have or obtain a guardian or conservator as a condition of admission to or continued residence in the assisted living facility.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 20. Minnesota Statutes 2024, section 144G.61, subdivision 2, is amended to read:

Subd. 2. **Training and evaluation of unlicensed personnel.** (a) Training and competency evaluations for all unlicensed personnel must include the following:

(1) documentation requirements for all services provided;

(2) reports of changes in the resident's condition to the supervisor designated by the facility;

(3) basic infection control, including blood-borne pathogens;

(4) maintenance of a clean and safe environment;

(5) appropriate and safe techniques in personal hygiene and grooming, including:

(i) hair care and bathing;

(ii) care of teeth, gums, and oral prosthetic devices;

(iii) care and use of hearing aids; and

(iv) dressing and assisting with toileting;

(6) training on the prevention of falls;

(7) standby assistance techniques and how to perform them;

(8) medication, exercise, and treatment reminders;

(9) basic nutrition, meal preparation, food safety, and assistance with eating;

(10) preparation of modified diets as ordered by a licensed health professional;

(11) communication skills that include preserving the dignity of the resident and showing respect for the resident and the resident's preferences, cultural background, and family;

(12) awareness of confidentiality and privacy;

(13) understanding appropriate boundaries between staff and residents and the resident's family;

(14) procedures to use in handling various emergency situations; ~~and~~

(15) awareness of commonly used health technology equipment and assistive devices~~.~~; and

(16) procedures to use in handling various emergency medical situations, including but not limited to a resident falling, having a heart event, having difficulty breathing, bleeding, or choking.

(b) In addition to paragraph (a), training and competency evaluation for unlicensed personnel providing assisted living services must include:

(1) observing, reporting, and documenting resident status;

(2) basic knowledge of body functioning and changes in body functioning, injuries, or other observed changes that must be reported to appropriate personnel;

(3) reading and recording temperature, pulse, and respirations of the resident;

(4) recognizing physical, emotional, cognitive, and developmental needs of the resident;

(5) safe transfer techniques and ambulation;

(6) range of motioning and positioning; and

(7) administering medications or treatments as required.

Sec. 21. Minnesota Statutes 2024, section 144G.63, subdivision 2, is amended to read:

Subd. 2. **Content of required orientation.** (a) The orientation must contain the following topics:

(1) an overview of this chapter;

(2) an introduction and review of the facility's policies and procedures related to the provision of assisted living services by the individual staff person;

(3) handling of emergencies and use of emergency services;

(4) compliance with and reporting of the maltreatment of vulnerable adults under section 626.557 to the Minnesota Adult Abuse Reporting Center (MAARC);

(5) the assisted living bill of rights and staff responsibilities related to ensuring the exercise and protection of those rights;

(6) the principles of person-centered planning and service delivery and how they apply to direct support services provided by the staff person;

(7) handling of residents' complaints, reporting of complaints, and where to report complaints, including information on the Office of Health Facility Complaints;

(8) consumer advocacy services of the Office of Ombudsman for Long-Term Care, Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care Ombudsman at the Department of Human Services, county-managed care advocates, or other relevant advocacy services; ~~and~~

(9) a review of the types of assisted living services the staff member will be providing and the facility's category of licensure~~.~~; and

(10) cardiopulmonary resuscitation, the use of automatic external defibrillators, the facility's process for checking a resident's code status before initiating lifesaving measures, and requesting emergency medical assistance as soon as practicable after an automatic external defibrillator is used.

(b) In addition to the topics in paragraph (a), orientation may also contain training on providing services to residents with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research based, may include online training, and must include training on one or more of the following topics:

(1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and the challenges it poses to communication;

(2) health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 22. Minnesota Statutes 2024, section 144G.63, subdivision 5, is amended to read:

Subd. 5. **Required annual training.** (a) All staff that perform direct services must complete at least eight hours of annual training for each 12 months of employment. The training may be obtained from the facility or another source and must include topics relevant to the provision of assisted living services. The annual training must include:

(1) training on reporting of maltreatment of vulnerable adults under section 626.557;

(2) review of the assisted living bill of rights and staff responsibilities related to ensuring the exercise and protection of those rights;

(3) review of infection control techniques used in the home and implementation of infection control standards including a review of hand washing techniques; the need for and use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable equipment; disinfecting environmental surfaces; and reporting communicable diseases;

(4) effective approaches to use to problem solve when working with a resident's challenging behaviors, and how to communicate with residents who have dementia, Alzheimer's disease, or related disorders;

(5) review of the facility's policies and procedures relating to the provision of assisted living services and how to implement those policies and procedures; ~~and~~

(6) the principles of person-centered planning and service delivery and how they apply to direct support services provided by the staff person~~.~~; and

(7) cardiopulmonary resuscitation, the use of automatic external defibrillators, the facility's process for checking a resident's code status before initiating lifesaving measures, and requesting emergency medical assistance as soon as practicable after an automatic external defibrillator is used.

(b) In addition to the topics in paragraph (a), annual training may also contain training on providing services to residents with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research based, may include online training, and must include training on one or more of the following topics:

(1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and challenges it poses to communication;

(2) the health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 23. Minnesota Statutes 2024, section 144G.63, is amended by adding a subdivision to read:

Subd. 5a. **Orientation and annual training; other staff.** (a) All staff who are not subject to the orientation requirements in subdivisions 1 and 2 must complete an orientation on the topics specified under paragraph (b) within 160 hours of the employment start date. All staff who are not subject to the annual training requirements in subdivision 5 must complete annual training on the topics specified under paragraph (b).

(b) The orientation and annual training must include training on cardiopulmonary resuscitation, the use of automatic external defibrillators, the facility's process for checking a resident's code status before initiating lifesaving measures, and requesting emergency medical assistance as soon as practicable after an automatic external defibrillator is used.

EFFECTIVE DATE. This section is effective August 1, 2026.

Sec. 24. **[144G.65] TRAINING IN EMERGENCY MANUAL RESTRAINTS.**

Subdivision 1. **Training.** A licensee must ensure that staff who are authorized to apply an emergency use of a manual restraint complete a minimum of four hours of training from a qualified individual prior to assuming these responsibilities. Training must include:

(1) types of behaviors and de-escalation techniques and their value;

(2) principles of person-centered planning and service delivery as identified in section 245D.07, subdivision 1a, paragraph (b);

(3) what constitutes the use of a restraint;

(4) staff responsibilities related to: (i) prohibited procedures under section 144G.85; (ii) why prohibited procedures are not effective for reducing or eliminating symptoms or interfering behavior; and (iii) why prohibited procedures are not safe;

(5) the situations when staff must contact 911 services in response to an imminent risk of harm to the resident or others; and

(6) strategies for respecting and supporting each resident's cultural preferences.

Subd. 2. **Annual refresher training.** The licensee must ensure that staff who apply an emergency use of a manual restraint complete two hours of refresher training on an annual basis covering each of the training areas listed in subdivision 1.

Subd. 3. **Implementation.** The assisted living facility must implement all orientation and training topics covered in this section.

Subd. 4. **Verification and documentation of orientation and training.** For staff who are authorized to apply an emergency use of a manual restraint, the assisted living facility must retain evidence in the employee record of each staff person having completed the orientation and training under this section.

Subd. 5. **Exemption.** This section does not apply to licensees who have a policy prohibiting the use of restraints.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 25. **[144G.85] USE OF RESTRAINTS.**

Subdivision 1. **Use of restraints prohibited.** Restraints are prohibited except as described in subdivisions 2 and 4.

Subd. 2. **Exception.** (a) Emergency use of a manual restraint is permitted only when immediate intervention is needed to protect the resident or others from imminent risk of physical harm and is the least restrictive intervention to address the risk. The restraint must be imposed for the least amount of time necessary and removed when there is no longer imminent risk of physical harm to the resident or other persons in the facility. The use of restraint under this subdivision must:

(1) take into consideration the rights, health, and welfare of the resident;

(2) not apply pressure to the back or chest while a resident is in a prone, supine, or side-lying position; and

(3) allow the resident to be free from prone restraint.

(b) This section does not apply when a resident, or the resident's legal representative or family member acting on the resident's behalf, chooses after being informed of the facility's policy prohibiting the use of restraints to utilize a bed rail or other device that may constitute a restraint. The facility must document that the resident, or the resident's representative or family member acting on the resident's behalf, received information regarding the facility's policy and the risks of using the device and voluntarily elected to utilize the device.

Subd. 3. **Documentation and notification.** (a) The resident's legal representative must be notified within 24 hours of an emergency use of a manual restraint and of the circumstances that prompted the use. Notification of an emergency use of a manual restraint must be documented. If known, the advanced practice registered nurse, physician, or physician assistant must be notified within 24 hours of an emergency use of a manual restraint.

(b) On a form developed by the commissioner, the facility must notify the commissioner and the ombudsman for long-term care within seven calendar days of an emergency use of a manual restraint, including when any restraint is first applied or ordered. The commissioner will monitor reported uses to detect overuse or unauthorized, inappropriate, or ineffective use of the restraint. The form must include:

(1) the name and date of birth of the resident;

(2) the date and time of the use of the restraint;

(3) the names of staff and any residents who were involved in the incident leading up to the emergency use of a manual restraint;

(4) a description of the incident, including the length of time the restraint was applied and who was present before and during the incident leading up to the emergency use of a manual restraint;

(5) a description of what less restrictive alternative measures were attempted to de-escalate the incident and maintain safety that identifies when, how, and for how long the alternative measures were attempted before the emergency use of a manual restraint was implemented;

(6) a description of the mental, physical, and emotional condition of the resident who was restrained and of other persons involved in the incident leading up to, during, and following the emergency use of a manual restraint;

(7) whether there was any injury to the resident who was restrained or other persons involved in the incident, including staff, before or as a result of the emergency use of a manual restraint; and

(8) whether there was a debriefing following the incident with the staff, and, if not contraindicated, with the resident who was restrained and other persons who were involved in or who witnessed the emergency use of a manual restraint, and the outcome of the debriefing. If the debriefing was not conducted at the time the incident report was made, the form should identify whether a debriefing is planned and a plan for mitigating use of restraints in the future.

(c) A copy of the form submitted under paragraph (b) must be maintained in the resident's record.

(d) A copy of the form submitted under paragraph (b) must be sent to the resident's waiver case manager within seven calendar days of an emergency use of manual restraints. An emergency use of manual restraints on people served under section 256B.49 and chapter 256S must be documented by the case manager in the resident's support plan, as defined in sections 256B.49, subdivision 15, and 256S.10.

(e) The use of restraints by law enforcement officers or other emergency personnel acting in a licensed capacity does not require the facility to comply with the requirements of this subdivision.

Subd. 4. **Ordered treatment.** Any use of a restraint, other than an emergency use of a manual restraint to address an imminent risk, must be the least restrictive option and comply with the requirements for an ordered treatment under section 144G.72.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 26. Minnesota Statutes 2024, section 157.17, subdivision 2, is amended to read:

Subd. 2. **Registration.** At the time of licensure or license renewal, a boarding and lodging establishment or a lodging establishment that provides supportive services or health supervision services must be registered with the commissioner, and must register annually thereafter. The registration must include the name, address, and telephone number of the establishment, the name of the operator, the types of services that are being provided, a description of the residents being served, the type and qualifications of staff in the facility, and other information that is necessary to identify the needs of the residents and the types of services that are being provided. The commissioner shall develop and furnish to the boarding and lodging establishment or lodging establishment the necessary form for submitting the registration.

~~Housing with services establishments registered under chapter 144D shall be considered registered under this section for all purposes except that:~~

~~(1) the establishments shall operate under the requirements of chapter 144D; and~~

~~(2) the criminal background check requirements of sections 299C.66 to 299C.71 apply. The criminal background check requirements of section 144.057 apply only to personnel providing home care services under sections 144A.43 to 144A.47 and personnel providing hospice care under sections 144A.75 to 144A.755.~~

Sec. 27. Minnesota Statutes 2024, section 157.17, subdivision 5, is amended to read:

Subd. 5. **Services that may not be provided in a boarding and lodging establishment or lodging establishment.** ~~Except those facilities registered under chapter 144D,~~ A boarding and lodging establishment or lodging establishment may not admit or retain individuals who:

(1) would require assistance from establishment staff because of the following needs: bowel incontinence, catheter care, use of injectable or parenteral medications, wound care, or dressing changes or irrigations of any kind; or

(2) require a level of care and supervision beyond supportive services or health supervision services.

Sec. 28. Minnesota Statutes 2024, section 295.50, subdivision 4, is amended to read:

Subd. 4. **Health care provider.** (a) "Health care provider" means:

(1) a person whose health care occupation is regulated or required to be regulated by the state of Minnesota furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, laboratory, diagnostic or therapeutic services;

(2) a person who provides goods and services not listed in clause (1) that qualify for reimbursement under the medical assistance program provided under chapter 256B;

(3) a staff model health plan company;

(4) an ambulance service required to be licensed;

(5) a person who sells or repairs hearing aids and related equipment or prescription eyewear; or

(6) a person providing patient services, who does not otherwise meet the definition of health care provider and is not specifically excluded in clause (b), who employs or contracts with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise oversee, or consult with regarding patient services.

(b) Health care provider does not include:

(1) hospitals; medical supplies distributors, except as specified under paragraph (a), clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction; wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation, or any other providers of transportation services other than ambulance services required to be licensed; supervised living facilities for persons with developmental disabilities, licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; ~~housing with services establishments required to be registered under chapter 144D;~~ board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined in Minnesota Rules, part 9555.9600;

(2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a person providing personal care assistance services and supervision of personal care assistance services as defined in ~~Minnesota Rules, part 9505.0335~~ section 256B.0625, subdivision 19a; a person providing home care nursing services as defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed under chapter 144A for home care services provided under chapter 144A;

(3) a person who employs health care providers solely for the purpose of providing patient services to its employees;

(4) an educational institution that employs health care providers solely for the purpose of providing patient services to its students if the institution does not receive fee for service payments or payments for extended coverage; and

(5) a person who receives all payments for patient services from health care providers, surgical centers, or hospitals for goods and services that are taxable to the paying health care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from tax under sections 295.50 to 295.59.

Sec. 29. Minnesota Statutes 2025 Supplement, section 295.50, subdivision 9b, is amended to read:

Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services and other goods and services provided by hospitals, surgical centers, or health care providers. They include the following health care goods and services provided to a patient or consumer:

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospitals, surgical centers, or health care provider facilities;

(4) medical social services;

(5) drugs, biologicals, supplies, appliances, and equipment;

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

(8) items and services furnished to ambulatory patients not requiring emergency care; and

(9) emergency services.

(b) "Patient services" does not include:

(1) services provided to nursing homes licensed under chapter 144A;

(2) examinations for purposes of utilization reviews, insurance claims or eligibility, litigation, and employment, including reviews of medical records for those purposes;

(3) services provided to and by community residential mental health facilities licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by residential treatment programs for children with a serious mental illness licensed or certified under chapter 245A;

(4) services provided under the following programs: day treatment services as defined in section 245.462, subdivision 8; assertive community treatment as described in section 256B.0622; adult rehabilitative mental health services as described in section 256B.0623; crisis response services as described in section 256B.0624; and children's therapeutic services and supports as described in section 256B.0943;

(5) services provided to and by community mental health centers as defined in section 245.62, subdivision 2;

(6) services provided to and by assisted living programs and congregate housing programs;

(7) hospice care services;

(8) home and community-based waivered services under chapter 256S and sections 256B.49 and 256B.501;

(9) targeted case management services under sections 256B.0621; 256B.0625, subdivisions 20, 20a, 33, and 44; and 256B.094; and

(10) services provided to the following: supervised living facilities for persons with developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; ~~housing with services establishments required to be registered under chapter 144D;~~ board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with developmental disabilities as defined in section 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100; adult day care services as defined in section 245A.02, subdivision 2a; and home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under chapter 144A.

Sec. 30. **[340A.4015] NURSING HOMES, BOARDING CARE HOMES, AND ASSISTED LIVING FACILITIES; WHEN LICENSE NOT REQUIRED.**

(a) A nursing home as defined in section 144A.01, subdivision 5, a boarding care home as defined in Minnesota Rules, chapter 4655, or an assisted living facility as defined in section 144G.08, subdivision 7, collectively known as "facility" or "facilities", is not required to obtain a license or permit under this chapter for the service of intoxicating liquor on its premise, subject to the following:

(1) the facility must submit notice to the commissioner of its intent to allow the service of intoxicating liquor under this section;

(2) the facility must hold the license or licenses required by the commissioner of health to be a valid licensed facility;

(3) intoxicating liquor may only be served to or by the residents of the facility and their guests, when the guests are physically accompanied by a resident for the entirety of the service;

(4) the service of intoxicating liquor may only occur at activities or events conducted primarily for residents of the facility and their invited guests, and only within the licensed facility or on its property;

(5) intoxicating liquor may not be sold, offered for sale, or otherwise provided for any form of consideration; and

(6) facilities are subject to all other provisions and requirements of this chapter and its applicable rules, not inconsistent with this section.

(b) A facility allowing the service of intoxicating liquor under this section is open for inspection by the commissioner and the commissioner's representative and by peace officers, who may enter and inspect during reasonable hours.

(c) Facilities operating under this section are subject to the requirements and penalties outlined in section 340A.415 in the same manner as if they were a license or permit holder.

(d) The commissioner may take enforcement action as provided in section 340A.415 against any facility operating under this section for any violation of this section and any other provision of this chapter and Minnesota Rules, chapter 7515, not inconsistent with this section, including service to an obviously intoxicated person, unlawful furnishing, underage access or consumption, unlawful possession, unlawful storage, or other alcohol-related violations.

(e) The commissioner may prohibit service and require corrective action plans or mandatory training for staff prior to a facility resuming operation under this section.

(f) The commissioner may refer any pattern of unsafe service, health risk associated with alcohol service or storage, or failure to comply with this section to the commissioner of health for investigation.

(g) Nothing in this section limits or otherwise affects criminal enforcement under this chapter or any other law against a facility or any person."

Delete the title and insert:

"A bill for an act relating to human services; modifying policy provisions relating to continuity of care following a payment withhold, aging and disability services, adult protective services, substance use disorder treatment, Direct Care and Treatment, and Department of Health regulation of long-term care services; permitting certain facilities to serve intoxicating liquor without a license; making technical and conforming changes; requiring reports; amending Minnesota Statutes 2024, sections 3.7381; 13.04, subdivision 4a; 13.384, subdivision 1; 13.46, subdivision 1; 144.56, subdivision 2b; 144.586, subdivision 2; 144.6502, subdivision 1; 144A.161, subdivision 1a; 144A.472, subdivision 5; 144A.72, subdivision 2; 144G.08, by adding subdivisions; 144G.19, by adding a subdivision; 144G.31, subdivision 6; 144G.40, subdivision 2; 144G.41, subdivisions 1, 2, by adding a subdivision; 144G.61, subdivision 2; 144G.63, subdivisions 2, 5, by adding a subdivision; 157.17, subdivisions 2, 5; 182.6545; 245A.03, by adding subdivisions; 245D.09, subdivision 5; 245D.10, subdivision 3; 245F.02, subdivision 17; 245F.15, subdivision 7; 245G.06, subdivision 4; 245G.11, subdivision 8; 253B.03, subdivision 6; 253B.18, subdivision 14; 254B.052, subdivision 1, by adding a subdivision; 256.9752, as amended; 256B.04, subdivision 24, by adding a subdivision; 256B.056, subdivision 7a, by adding subdivisions; 256B.0625, by adding a subdivision; 256B.064, subdivision 2; 256B.0658; 256B.0659, subdivisions 12, 16, 17, 19; 256B.0759, subdivision 3; 256B.0911, subdivision 32; 256B.0924, subdivisions 3, 5, 7, by adding a subdivision; 256B.0949, by adding a subdivision; 256B.4905, subdivision 2a; 256B.492, subdivisions 1, 3; 256B.85, by adding subdivisions; 256B.851, subdivision 8; 256L.03, subdivision 1; 256R.481; 256S.205, subdivision 1; 256S.21, subdivision 3; 295.50, subdivision 4; 626.557, subdivisions 9, 9a, 12b, by adding subdivisions; 626.5572, subdivisions 2, 9, 17, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 13.46, subdivision 2; 144A.474, subdivision 11; 245C.03, subdivision 6; 245C.04, subdivision 6; 245C.10, subdivision 6; 245D.091, subdivisions 2, 3; 245D.10, subdivision 3a; 245F.08, subdivision 3; 245G.11, subdivision 7; 253B.18, subdivision 6; 254A.03, subdivision 3; 254B.0501, subdivision 6; 254B.0505, subdivision 8, by adding subdivisions; 256B.04, subdivision 21; 256B.0701, subdivision 9; 256B.0759, subdivision 4; 256B.0911, subdivision 13; 256B.0924, subdivision 6; 256B.0949, subdivisions 2, 16; 256B.4914, subdivisions 8, 10a; 256B.85, subdivision 7; 256S.205, subdivision 2; 295.50, subdivision 9b; 626.5572, subdivision 13; Laws 2024, chapter 125, article 1, section 47; proposing coding for new law in Minnesota Statutes, chapters 144A; 144G; 245D; 246C; 256B; 340A; repealing Minnesota Statutes 2024, sections 256B.051, subdivisions

1, 4, 7; 256B.0759, subdivisions 2, 5; 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16; 626.557, subdivision 10; Minnesota Statutes 2025 Supplement, sections 245A.04, subdivision 7; 254B.052, subdivision 6; 256B.051, subdivisions 2, 3, 5, 6, 6a, 6b, 8, 9, 10; Laws 2025, First Special Session chapter 3, article 18, section 3."

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

Senator Hoffman from the Committee on Human Services, to which was re-referred

S.F. No. 4222: A bill for an act relating to human services; modifying requirements for provider enrollment in medical assistance; modifying program integrity requirements for the medical assistance program; directing the commissioner of human services to create a medical assistance program integrity advisory board; directing the commissioner of human services to make recommendations on provider enrollment standards, modernizing program integrity infrastructure, and program integrity interventions; directing the commissioner of human services to conduct audits; requiring reports; making technical changes; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, sections 142B.01, subdivision 8; 245.095, by adding a subdivision; 245A.02, subdivision 5a; 245D.081, subdivision 3; 256B.04, subdivision 5; 256B.064, subdivisions 1b, 1d, 2, 3, 4, 5, by adding subdivisions; 256B.0949, subdivision 17; Minnesota Statutes 2025 Supplement, sections 15.013, by adding a subdivision; 256B.04, subdivision 21; 256B.064, subdivision 1a; 256B.0759, subdivision 4; 256B.0949, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Page 1, after line 24, insert:

"Sec. 2. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 36. **Program integrity report.** Beginning November 30, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families on program integrity functions within the Department of Children, Youth, and Families. The report must include:

(1) an update from the Office of Inspector General at the Department of Children, Youth, and Families with historical metrics and descriptive data, including the office's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(2) an update from the Office of Inspector General at the Department of Children, Youth, and Families that generally includes caseload, site visit data, the number of child care assistance program investigations and administrative reviews within the past five years, recipient fraud investigation results involving multiple benefits from the past five years, and updates on major fraud investigations.

Sec. 3. **[142A.125] ELIGIBILITY TO RECEIVE PUBLIC MONEY; PRE-AWARD RISK ASSESSMENT.**

Subdivision 1. **Pre-award risk assessment; grant recipients.** (a) Prior to receiving a grant award for a program administered by the commissioner, a potential grantee must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent three-year period. This information must also include:

(1) the potential grantee's history of performing services during the most recent three-year period that are substantially similar to the services the potential grantee is seeking to receive public funds to provide; and

(2) for a potential grantee that is a for-profit business or nonprofit organization, evidence of registration and good standing with the secretary of state for the most recent three-year period, if applicable.

(b) For any information not submitted to the commissioner as required under this section because the potential grantee determined it to be inapplicable, the potential grantee must submit documentation noting each item that was not submitted and the reason why the potential grantee determined it was inapplicable.

Subd. 2. **Pre-award risk assessment; licensure and reenrollment.** (a) Prior to renewing a license or reenrolling in a program administered by the commissioner, a provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent licensure or enrollment period.

(b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been licensed or enrolled in a program administered by the commissioner for at least three years, the provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent three-year period.

(c) For any information not submitted to the commissioner as required under this section because the provider, vendor, or individual determined it to be inapplicable, the provider, vendor, or individual must submit documentation noting each item that was not submitted and the reason why the provider, vendor, or individual determined it was inapplicable.

Subd. 3. **Commissioner duties.** (a) The commissioner must review all information provided under subdivisions 1 and 2 prior to awarding a grant, renewing a license, or reenrolling a provider. For any documentation submitted to the commissioner under subdivision 1, paragraph (b), or subdivision 2, paragraph (c), the commissioner must review and confirm that the determination of inapplicability made by the potential grantee or the provider, vendor, or individual is correct. For any incorrect determination, the potential grantee or the provider, vendor, or individual must submit the required information before receiving grant funds, renewing a license, or reenrolling in a program.

(b) Notwithstanding section 16B.981, if, after reviewing the information provided under subdivision 1, the commissioner has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the commissioner must not award the grant.

(c) If, after reviewing the information provided under subdivision 2, the commissioner has concerns that there is a substantial risk that the provider, vendor, or individual seeking to renew a license or reenroll in a program administered by the commissioner cannot or would not perform the

necessary duties required under the license or enrollment agreement, the commissioner must deny the license renewal or reenrollment request."

Page 2, after line 6, insert:

"Sec. 5. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Program integrity report.** Beginning November 30, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services on program integrity functions within the Department of Human Services. The report must include:

(1) an update from the Background Studies Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data on background studies and licensure, including the number of background studies completed within the past five years and the number of disqualifications that occurred;

(2) an update from the Licensing Division within the Office of Inspector General at the Department of Human Services with historical metrics and descriptive data, including the division's capacity to meet licensing demands and data for the past five years on the number of maltreatment reports and licensing complaints received, the results of maltreatment investigations, the number of licenses issued for each provider type, the number of licensing investigations and reviews completed, and the number of correction orders issued; and

(3) an update from the Financial Fraud and Abuse Investigations Division within the Office of Inspector General at the Department of Human Services that generally includes caseload, screening and site visit data, the number of provider medical assistance managed care investigations within the past five years, the number of screening investigations within the past five years, and updates on major fraud investigations.

Sec. 6. **[256.0113] ELIGIBILITY TO RECEIVE PUBLIC MONEY; PRE-AWARD RISK ASSESSMENT.**

Subdivision 1. **Pre-award risk assessment; grant recipients.** (a) Prior to receiving a grant award for a program administered by the commissioner, a potential grantee must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent three-year period. This information must also include:

(1) the potential grantee's history of performing services during the most recent three-year period that are substantially similar to the services the potential grantee is seeking to receive public funds to provide; and

(2) for a potential grantee that is a for-profit business or nonprofit organization, evidence of registration and good standing with the secretary of state for the most recent three-year period, if applicable.

(b) For any information not submitted to the commissioner as required under this section because the potential grantee determined it to be inapplicable, the potential grantee must submit documentation

noting each item that was not submitted and the reason why the potential grantee determined it was inapplicable.

Subd. 2. **Pre-award risk assessment; licensure.** (a) Prior to renewing a license for a program administered by the commissioner, a provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent licensure period.

(b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been licensed in a program administered by the commissioner for at least three years, the provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent three-year period.

(c) For any information not submitted to the commissioner as required under this section because the provider, vendor, or individual determined it to be inapplicable, the provider, vendor, or individual must submit documentation noting each item that was not submitted and the reason why the provider, vendor, or individual determined it was inapplicable.

Subd. 3. **Pre-award risk assessment; reenrollment and revalidation.** (a) Prior to reenrollment or revalidation in a program administered by the commissioner, a provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent enrollment period.

(b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been enrolled in a program administered by the commissioner for at least three years, the provider, vendor, or individual must provide the commissioner with the applicable information specified under section 16B.981, subdivision 2, for the most recent three-year period.

(c) For any information not submitted to the commissioner as required under this section because the provider, vendor, or individual determined it to be inapplicable, the provider, vendor, or individual must submit documentation noting each item that was not submitted and the reason why the provider, vendor, or individual determined it was inapplicable.

Subd. 4. **Commissioner duties.** (a) The commissioner must review all information provided under subdivisions 1 to 3 prior to awarding a grant, renewing a license, or reenrolling or revalidating a provider, vendor, or individual. For any documentation submitted to the commissioner under subdivision 1, paragraph (b); subdivision 2, paragraph (c); or subdivision 3, paragraph (c), the commissioner must review and confirm that the determination of inapplicability made by the potential grantee or the provider, vendor, or individual is correct. For any incorrect determination, the potential grantee or the provider, vendor, or individual must submit the required information prior to receiving grant funds, renewing a license, reenrollment in a program, or revalidation.

(b) Notwithstanding section 16B.981, if, after reviewing the information provided under subdivision 1, the commissioner has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the commissioner must not award the grant.

(c) If, after reviewing the information provided under subdivision 2 or 3, the commissioner has concerns that there is a substantial risk that the provider, vendor, or individual seeking to renew a

license, or applying for reenrollment or revalidation, cannot or would not perform the necessary duties required under the license or enrollment agreement, the commissioner must deny the license renewal or terminate the participation of the provider, vendor, or individual in the program."

Page 12, delete section 15

Page 15, delete section 19

Page 16, delete section 20

Page 37, after line 33, insert:

"ARTICLE 3

PROVIDER ENROLLMENT REQUIREMENTS FOR HIGH-RISK PROVIDERS

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 8, is amended to read:

Subd. 8. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 142B.10, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 7, paragraph (b);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program;

(5) the individual designated as the primary provider of care for a special family child care program under section 142B.41, subdivision 4, paragraph (d); and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program; receives remuneration from the program; or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 2. Minnesota Statutes 2024, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 7, paragraph (b);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; and

(5) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official

of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 3. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the

documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

(j) An applicant or license holder who acknowledges under paragraph (i) that the applicant or license holder elects to receive any publicly funded reimbursement from the commissioner for services provided under the license that are designated by the commissioner as high-risk under section 256B.044, subdivision 1, must provide an attestation with the notarized signature of the applicant or authorized agent stating whether the applicant or authorized agent received from an unaffiliated business or consultant any assistance preparing:

(1) the application;

(2) the renewal;

(3) any documentation or written policies submitted with the application;

(4) any documentation or written policies submitted with the renewal; or

(5) any documentation or written policies maintained as a requirement of licensure or enrollment as a medical assistance provider.

Sec. 4. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license and the specific service the license holder is licensed to provide;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 4, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 142B within the past two years;

(3) had a license issued under this chapter or chapter 142B revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), ~~or~~ (h), or (j), after being requested by the commissioner.

When a license issued under this chapter or chapter 142B is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an

application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must comply with the requirements in section 245A.10 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Adult foster care, family adult day services, child foster residence setting, and community residential services license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

(n) For substance use disorder treatment programs, for the purposes of paragraph (a), clause (5), the maximum number of persons who may receive services from the program includes persons served at satellite locations.

Sec. 5. Minnesota Statutes 2025 Supplement, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) ~~or~~, (g), or (j);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 142E and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) is the subject of a pending administrative, civil, or criminal investigation.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the

commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. Minnesota Statutes 2024, section 245D.081, subdivision 3, is amended to read:

Subd. 3. **Program management and oversight.** (a) The license holder must designate a managerial staff person or persons to provide program management and oversight of the services provided by the license holder. The designated manager is responsible for the following:

(1) maintaining a current understanding of the licensing requirements sufficient to ensure compliance throughout the program as identified in section 245A.04, subdivision 1, paragraph (e), and when applicable, as identified in section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 7;

(2) ensuring the duties of the designated coordinator are fulfilled according to the requirements in subdivision 2;

(3) ensuring the program implements corrective action identified as necessary by the program following review of incident and emergency reports according to the requirements in section 245D.11, subdivision 2, clause (7). An internal review of incident reports of alleged or suspected maltreatment must be conducted according to the requirements in section 245A.65, subdivision 1, paragraph (b);

(4) evaluation of satisfaction of persons served by the program, the person's legal representative, if any, and the case manager, with the service delivery and progress toward accomplishing outcomes identified in sections 245D.07 and 245D.071, and ensuring and protecting each person's rights as identified in section 245D.04;

(5) ensuring staff competency requirements are met according to the requirements in section 245D.09, subdivision 3, and ensuring staff orientation and training is provided according to the requirements in section 245D.09, subdivisions 4, 4a, and 5;

(6) ensuring corrective action is taken when ordered by the commissioner and that the terms and conditions of the license and any variances are met; and

(7) evaluating the information identified in clauses (1) to (6) to develop, document, and implement ongoing program improvements.

(b) The designated manager must be competent to perform the duties as required and must minimally meet the education and training requirements identified in subdivision 2, paragraph (b), and have a minimum of three years of supervisory level experience in a program that provides care or education to vulnerable adults or children.

Sec. 7. Minnesota Statutes 2025 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** ~~(a)~~ The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E, and sections 256B.044 to 256B.0445.

~~A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).~~

~~(b) The commissioner shall revalidate:~~

~~(1) each provider under this subdivision at least once every five years;~~

~~(2) each personal care assistance agency, CFSS provider-agency, and CFSS financial management services provider under this subdivision at least once every three years;~~

~~(3) each EIDBI agency under this subdivision at least once every three years; and~~

~~(4) at the commissioner's discretion, any medical-assistance-only provider type the commissioner deems "high-risk" under this subdivision.~~

~~(c) The commissioner shall conduct revalidation as follows:~~

~~(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;~~

~~(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and~~

~~(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.~~

~~(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.~~

~~(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.~~

~~(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within~~

~~that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.~~

~~(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:~~

~~(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;~~

~~(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);~~

~~(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;~~

~~(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;~~

~~(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and~~

~~(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.~~

~~The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.~~

~~(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.~~

~~(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:~~

~~(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;~~

~~(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and~~

~~(3) serves primarily a pediatric population.~~

~~(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.~~

~~(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.~~

~~(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.~~

~~(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.~~

~~(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.~~

~~(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of~~

~~providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section 256B.051, 256B.0659, 256B.0701, or 256B.85.~~

Sec. 8. **[256B.044] PROVIDER ENROLLMENT.**

Subdivision 1. **Designating categorical risk levels.** (a) The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited-risk," "moderate-risk," or "high-risk," based on the criteria and standards used by the Centers for Medicare and Medicaid Services (CMS) to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518.

(b) The list and criteria are not subject to the requirements of chapter 14, and section 14.386 does not apply.

(c) The commissioner's designations are not subject to administrative appeal.

Subd. 2. **Service location enrollment.** A provider must enroll each provider-controlled location where direct services are provided.

Subd. 3. **Incomplete provider enrollment applications.** The commissioner may deny a provider's incomplete enrollment application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request.

Subd. 4. **Required background studies.** (a) The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider applying for enrollment under section 256B.04, subdivision 21. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that included a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) As a condition of enrollment in medical assistance, the commissioner must require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or CMS that a provider is designated high-risk.

Subd. 5. **Surety bonds.** (a) The commissioner may require a provider to purchase a surety bond as a condition of initial enrollment, revalidation, reenrollment, reinstatement, or continued enrollment if:

(1) the provider fails to demonstrate financial viability;

(2) the commissioner determines there is significant evidence of or potential for fraud and abuse by the provider; or

(3) the provider or category of providers is designated high-risk pursuant to subdivision 1 and Code of Federal Regulations, title 42, section 455.450.

(b) The surety bond must be in an amount of $100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond.

(c) This subdivision does not apply if the provider currently maintains a surety bond under the requirements in section 256B.051, 256B.0659, 256B.0701, or 256B.85.

Subd. 6. **Required permission to conduct on-site inspection.** As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated moderate-risk or high-risk by CMS or the commissioner permit CMS, CMS's agents, or CMS's designated contractors and the state agency, the state agency's agents, or the state agency's designated contractors to conduct unannounced on-site inspections of any provider location.

Subd. 7. **Compliance programs.** (a) The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by CMS.

(b) If an enrolled provider is required by the commissioner or by law to designate an individual as the provider's compliance officer, the compliance officer must:

(1) develop policies and procedures to ensure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity and any agents or subcontractors of the provider entity including billers on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

Subd. 8. **Correspondence and notification.** The commissioner may deliver correspondence and notifications, including notifications of termination and other actions, electronically to a provider's MN-ITS mailbox. This subdivision does not apply to correspondence and notifications related to background studies.

Sec. 9. **[256B.0441] PROVIDER REVALIDATION.**

Subdivision 1. **Provider revalidation schedule.** The commissioner shall revalidate:

(1) each provider at least once every five years;

(2) each personal care assistance agency, community first services and supports (CFSS) provider-agency, and CFSS financial management services provider at least once every three years;

(3) each early intensive developmental and behavioral intervention agency at least once every three years; and

(4) at the commissioner's discretion, any medical-assistance-only provider type the commissioner deems high-risk under section 256B.044, subdivision 1.

Subd. 2. **Revalidation procedures.** The commissioner shall conduct revalidation as follows:

(1) provide 30 days' notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60 days' notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

Sec. 10. **[256B.0442] PROVIDER ENROLLMENT SUSPENSIONS AND TERMINATIONS.**

Subdivision 1. **Commissioner's general authority to suspend individual provider's enrollment.** (a) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance.

(b) The commissioner's decision to suspend the provider is not subject to an administrative appeal.

Subd. 2. **Commissioner's authority to revoke enrollment of certain providers for lack of documentation.** (a) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by the provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion.

(b) Nothing in this subdivision limits the authority of the commissioner to sanction a provider under section 256B.064.

Subd. 3. **Commissioner's duty to terminate provider enrollment.** (a) Except as provided in paragraph (b), the commissioner must terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state.

(b) The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under paragraph (a) if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

Sec. 11. **[256B.0443] PROVIDER PAYMENT WITHHOLDS UPON INITIAL ENROLLMENT.**

(a) If the commissioner or the Centers for Medicare and Medicaid Services designates a provider type as high-risk, the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period.

(b) The withholding for each provider must begin on the date of the first submission of a claim.

Sec. 12. **[256B.0444] ADDITIONAL PROVIDER ENROLLMENT REQUIREMENTS FOR HIGH-RISK PROVIDERS.**

Subdivision 1. **Applicability.** This section applies to any agency that provides a service designated by the commissioner as high-risk under section 256B.044, subdivision 1. For purposes of this section, "agency" means the legal entity that is applying to be or is enrolled with Minnesota health care programs as a medical assistance provider according to Minnesota Rules, part 9505.0195.

Subd. 2. **Mandatory training compliance.** (a) Effective January 1, 2027, before applying for enrollment or reenrollment as a medical assistance provider, an agency applying to provide services designated by the commissioner as high-risk must require all owners of the agency who are active in the day-to-day management and operations of the agency and managerial and supervisory employees to complete compliance training. All individuals who must complete training under this subdivision must repeat the training prior to revalidation of the agency as a medical assistance provider.

(b) New owners active in day-to-day management and operations of the agency and new managerial and supervisory employees of the agency must complete compliance training under this subdivision within 30 calendar days of becoming an owner of or employed by the agency and prior to conducting any management and operations activities for the agency. If an individual moves to another agency providing the same service and serves in a similar ownership or employment capacity, the individual is not required to repeat the training required under this subdivision. If the individual chooses not to repeat the compliance training, the individual must provide the agency with documentation proving the individual completed the compliance training within the provider revalidation schedule for the relevant provider type as determined by the commissioner under section 256B.0441.

(c) The commissioner must determine the format and content of the compliance training. The training must include the following topics, adapted as necessary for each provider type subject to the requirements of this subdivision:

(1) state and federal program billing, documentation, and service delivery requirements;

(2) enrollment requirements;

(3) provider program integrity, including fraud prevention, detection, and penalties;

(4) fair labor standards;

(5) workplace safety requirements; and

(6) recent changes in service requirements.

Subd. 3. **Individual provider number.** (a) Effective January 1, 2027, all individuals subject to a background study as a result of being employed by or an owner of a high-risk agency must enroll individually as a medical assistance provider.

(b) The commissioner must issue a unique Minnesota provider identifier to each individual who satisfies the background study requirements, satisfies the individual enrollment requirements, and does not have either a national provider identifier or a unique Minnesota provider identifier. The commissioner must ensure that no individual is issued multiple unique Minnesota provider identifiers. If the commissioner mistakenly issues multiple unique Minnesota provider identifiers to the same individual, the commissioner must provide a means for the numbers to be consolidated.

(c) If an individual provides false or misleading information to the commissioner in an attempt to cause the commissioner to issue to the individual an additional unique Minnesota provider identifier, the commissioner may terminate the enrollment of the individual.

Subd. 4. **Required use of an electronic visit verification system.** Effective January 1, 2027, an individual providing a high-risk service must electronically verify the provision of the services using an electronic visit verification system meeting the requirements of section 256B.073.

Subd. 5. **Signatures required for provision of service verifications.** (a) Effective January 1, 2027, an individual providing a high-risk service must sign and obtain the signature of the service recipient, or of the service recipient's representative, on a provision of service verification form. The provision of service verification form must include a statement that by signing the form, the signatory is attesting to the accuracy of all data entered in the electronic visit verification system. The provision of service verification form must also include a statement that it is a federal crime to provide false information regarding the provision of medical assistance services.

(b) The commissioner must determine a minimum frequency at which the required signatures on a provision of service verification form must be obtained.

Subd. 6. **Documentation of travel time.** Effective January 1, 2027, an individual providing a high-risk service must document any travel or driving time that is eligible for reimbursement and for which the individual or high-risk agency seeks a medical assistance payment. The documentation must include:

(1) start and stop times with a.m. and p.m. designations;

(2) the origination site; and

(3) the destination site.

Sec. 13. **[256B.0445] ADDITIONAL PROVIDER ENROLLMENT REQUIREMENTS FOR SPECIFIC PROVIDER TYPES.**

Subdivision 1. **Durable medical equipment provider or supplier.** (a) For the purposes of this subdivision, "durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rent to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rent.

(b) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies medical suppliers meeting the durable medical equipment provider or supplier definition in paragraph (a), operating in Minnesota, and receiving Medicaid money must purchase a surety bond that is annually renewed, designates the Department of Human Services as the obligee, and is submitted in a form approved by the commissioner. For purposes of this paragraph, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(c) At the time of initial enrollment or reenrollment, durable medical equipment providers or suppliers defined in paragraph (a) must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including $300,000, the provider agency must purchase a surety bond of $50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

Subd. 2. **Providers licensed by the commissioner of human services.** An enrolled provider that is also licensed by the commissioner under chapter 245A must designate an individual as the licensee's compliance officer under section 256B.044, subdivision 7, paragraph (b).

Subd. 3. **Providers licensed by the commissioner of health.** An enrolled provider that is also licensed by the commissioner of health as a home care provider under chapter 144A with a home and community-based services designation on the home care license or as an assisted living facility under chapter 144G must designate an individual as the licensee's compliance officer under section 256B.044, subdivision 7, paragraph (b).

Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.051, subdivision 6, is amended to read:

Subd. 6. **Agency qualifications and duties.** An agency is eligible for reimbursement under this section only if the agency:

(1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk assessment under subdivision 6a;

(2) is enrolled as a medical assistance Minnesota health care program provider and meets all applicable provider standards and requirements;

(3) demonstrates compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;

(4) complies with background study requirements under chapter 245C and maintains documentation of background study requests and results;

(5) provides at the time of enrollment, reenrollment, and revalidation in a format determined by the commissioner, proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's medical assistance revenue in the previous calendar year is $300,000 or less, the provider agency must purchase a surety bond of $50,000. If the provider's medical assistance revenue in the previous year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(6) directly provides housing stabilization services using employees of the agency and not by using a subcontractor or reporting agent;

(7) ensures all controlling individuals and employees of the agency complete annual vulnerable adult training; and

(8) completes compliance training as required under section 256B.0444, subdivision ~~6b~~ 2.

Sec. 15. Minnesota Statutes 2025 Supplement, section 256B.0701, subdivision 9, is amended to read:

Subd. 9. **Provider qualifications and duties.** A provider is eligible for reimbursement under this section only if the provider:

(1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk assessment under subdivision 10;

(2) is enrolled as a medical assistance Minnesota health care program provider and meets all applicable provider standards and requirements;

(3) demonstrates compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;

(4) complies with background study requirements under chapter 245C and maintains documentation of background study requests and results;

(5) provides at the time of enrollment, reenrollment, and revalidation in a format determined by the commissioner, proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's medical assistance revenue in the previous calendar year is $300,000 or less, the provider agency must purchase a surety bond of $50,000. If the provider's medical assistance revenue in the previous year is over $300,000, the provider agency must purchase a surety bond of $100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(6) ensures all controlling individuals and employees of the agency complete annual vulnerable adult training;

(7) completes compliance training as required under section 256B.0444, subdivision ~~11~~ 2; and

(8) complies with the habitability inspection requirements in subdivision 13.

Sec. 16. Minnesota Statutes 2024, section 256B.073, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given ~~them~~.

(b) "Electronic visit verification" means the electronic documentation of the:

(1) type of service performed;

(2) individual receiving the service;

(3) date of the service;

(4) location of the service delivery;

(5) individual providing the service; and

(6) time the service begins and ends.

(c) "Electronic visit verification system" means a system that provides electronic verification of services that complies with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision 3.

(d) "Service" ~~means one of the following~~ includes:

(1) personal care assistance services as defined in section 256B.0625, subdivision 19a, and provided according to section 256B.0659;

(2) community first services and supports under section 256B.85;

(3) home health services under section 256B.0625, subdivision 6a; ~~or~~

(4) other medical supplies and equipment or home and community-based services that are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.;

(5) services provided by a provider type designated by the commissioner as high-risk under section 256B.044, subdivision 1; and

(6) home and community-based services reimbursed at an hourly or specified minute-based rate and provided according to a federally approved waiver plan as authorized under chapter 256S and sections 256B.0913, 256B.092, and 256B.49.

Sec. 17. Minnesota Statutes 2025 Supplement, section 256B.0759, subdivision 4, is amended to read:

Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must be increased for services provided to medical assistance enrollees. To receive a rate increase, participating providers must meet demonstration project requirements and provide evidence of formal referral arrangements with providers delivering step-up or step-down levels of care. Providers that have enrolled in the demonstration project but have not met the provider standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under this subdivision until the date that the provider meets the provider standards in subdivision 3. Services provided from July 1, 2022, to the date that the provider meets the provider standards under subdivision 3 shall be reimbursed at rates according to section 254B.0505, subdivision 1. Rate increases paid under this subdivision to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken.

(b) The commissioner may temporarily suspend payments to the provider according to section ~~256B.04, subdivision 21, paragraph (d)~~ 256B.0442, subdivision 1, if the provider does not meet the requirements in paragraph (a). Payments withheld from the provider must be made once the commissioner determines that the requirements in paragraph (a) are met.

(c) For outpatient individual and group substance use disorder services under section 254B.0505, subdivision 1, clause (1), and adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18, provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020.

(d) Effective January 1, 2021, and contingent on annual federal approval, managed care plans and county-based purchasing plans must reimburse providers of the substance use disorder services meeting the criteria described in paragraph (a) who are employed by or under contract with the plan an amount that is at least equal to the fee-for-service base rate payment for the substance use disorder services described in paragraph (c). The commissioner must monitor the effect of this requirement on the rate of access to substance use disorder services and residential substance use disorder rates. Capitation rates paid to managed care organizations and county-based purchasing plans must reflect the impact of this requirement. This paragraph expires if federal approval is not received at any time as required under this paragraph.

(e) Effective July 1, 2021, contracts between managed care plans and county-based purchasing plans and providers to whom paragraph (d) applies must allow recovery of payments from those

providers if, for any contract year, federal approval for the provisions of paragraph (d) is not received, and capitation rates are adjusted as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this provision.

(f) For substance use disorder services with medications for opioid use disorder under section 254B.0505, subdivision 1, clause (7), provided on or after January 1, 2021, payment rates must be increased by 20 percent over the rates in effect on December 31, 2020. Upon implementation of new rates according to section 254B.121, the 20 percent increase will no longer apply.

Sec. 18. Minnesota Statutes 2025 Supplement, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and ~~section 256B.04, subdivision 21~~ sections 256B.044 to 256B.0445, and meet all applicable provider standards and requirements;

(2) designate an individual as the agency's compliance officer who must perform the duties described in section ~~256B.04, subdivision 21, paragraph (g)~~ 256B.044, subdivision 7, paragraph (b);

(3) demonstrate compliance with federal and state laws for the delivery of and billing for EIDBI service;

(4) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(5) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(6) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services, appropriately submit claims, conduct required staff training, document staff qualifications, document service activities, and document service quality;

(7) have an office located in Minnesota or a border state;

(8) initiate a background study as required under subdivision 16a;

(9) report maltreatment according to section 626.557 and chapter 260E;

(10) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(11) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act, section 626.557,

including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(12) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(13) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident;

(14) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;

(15) provide clinical supervision for a minimum of one hour for every 16 hours of direct treatment per person, unless otherwise authorized in the person's individual treatment plan; and

(16) provide required EIDBI intervention observation and direction at least once per month. Notwithstanding subdivision 13, paragraph (l), required EIDBI intervention observation and direction under this clause may be conducted via telehealth provided that no more than two consecutive monthly required EIDBI intervention observation and direction sessions under this clause are conducted via telehealth.

(b) Upon request of the commissioner, an agency delivering services under this section must:

(1) identify the agency's controlling individuals, as defined under section 245A.02, subdivision 5a;

(2) provide disclosures of the use of billing agencies and other consultants who do not provide EIDBI services; and

(3) provide copies of any contracts with consultants or independent contractors who do not provide EIDBI services, including hours contracted and responsibilities.

(c) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 19. Minnesota Statutes 2024, section 256B.0949, subdivision 17, is amended to read:

Subd. 17. **Provider shortage; authority for exceptions.** (a) In consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, including agencies, professionals, parents of people with ASD or a related condition, and advocacy organizations, the commissioner shall determine if a shortage of EIDBI providers exists. For the purposes of this subdivision, "shortage of EIDBI providers" means a lack of availability of providers who meet the EIDBI provider qualification requirements under subdivision 15 that results in the delay of access to timely services under this section, or that significantly impairs the ability of a provider agency to have sufficient providers to meet the requirements of this section. The commissioner shall consider geographic factors when determining the prevalence of a shortage. The commissioner may determine that a shortage exists only in a specific region of the state, multiple regions of the state, or statewide. The commissioner shall also consider the availability of various types of treatment modalities covered under this section.

(b) The commissioner, in consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, must establish processes and criteria for granting an exception under this paragraph. The commissioner may grant an exception only if the exception would not compromise a person's safety and not diminish the effectiveness of the treatment. The commissioner may establish an expiration date for an exception granted under this paragraph. The commissioner may grant an exception for the following:

(1) EIDBI provider qualifications under this section;

(2) medical assistance provider enrollment requirements under ~~section 256B.04, subdivision 21~~ sections 256B.044 to 256B.0445; or

(3) EIDBI provider or agency standards or requirements.

(c) If the commissioner, in consultation with the Early Intensive Developmental and Behavioral Intervention Advisory Council and stakeholders, determines that a shortage no longer exists, the commissioner must submit a notice that a shortage no longer exists to the chairs and ranking minority members of the senate and the house of representatives committees with jurisdiction over health and human services. The commissioner must post the notice for public comment for 30 days. The commissioner shall consider public comments before submitting to the legislature a request to end the shortage declaration. The commissioner shall not declare the shortage of EIDBI providers ended without direction from the legislature to declare it ended.

Sec. 20. Minnesota Statutes 2025 Supplement, section 256B.4912, subdivision 1, is amended to read:

Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers providing services to seniors and individuals with disabilities under chapter 256S and sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

(1) agreements with enrolled waiver service providers to ensure providers meet Minnesota health care program requirements;

(2) regular reviews of provider qualifications, ~~and~~ including requests ~~of~~ for proof of documentation; and

(3) processes to gather the necessary information to determine provider qualifications.

(b) A provider shall not require or coerce any service recipient to change waiver programs or move to a different location, consistent with the informed choice and independent living policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

(c) For staff that provide direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved waiver plans, providers must meet the requirements of chapter 245C and maintain documentation of background study requests and results. This requirement also applies to consumer-directed community supports.

(d) Service owners and managerial officials overseeing the management or policies of services that provide direct contact as specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to reenrollment or revalidation or, for new providers, prior to initial enrollment if they have not already done so as a part of service licensure requirements.

Sec. 21. Minnesota Statutes 2024, section 256B.4912, is amended by adding a subdivision to read:

Subd. 10a. **Individual provider identifier.** (a) Effective January 1, 2027, staff that provide direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved waiver plans must enroll individually with Minnesota health care programs as a medical assistance provider. This requirement also applies to consumer-directed community supports.

(b) For individuals enrolling individually under this subdivision, the commissioner must conform with the requirements of section 256B.0444, subdivision 3.

Sec. 22. Minnesota Statutes 2024, section 256B.4912, subdivision 12, is amended to read:

Subd. 12. **Home and community-based service documentation requirements.** (a) Unless the provider is required to use an electronic visit verification system authorized under section 256B.073, the provider must collect and maintain documentation ~~may be collected and maintained~~ electronically or in paper form ~~by providers and must be produced~~. The provider must produce all documentation upon request by the commissioner.

(b) Documentation of a delivered service must be in English and must be legible according to the standard of a reasonable person.

(c) If the service is reimbursed at an hourly or specified minute-based rate, each documentation of the provision of a service, unless otherwise specified, must include:

(1) the date the documentation occurred;

(2) the day, month, and year when the service was provided;

(3) the start and stop times with a.m. and p.m. designations, except for case management services as defined under chapter 256S and sections 256B.0913, subdivision 7; 256B.092, subdivision 1a; and 256B.49, subdivision 13;

(4) the service name or description of the service provided; and

(5) the name, individual provider identifier, signature, and title, if any, of the provider of service. If the service is provided by multiple staff members, the provider may designate a staff member responsible for verifying services and completing the documentation required by this paragraph.

(d) If the service is reimbursed at a daily rate or does not meet the requirements in paragraph (c), each documentation of the provision of a service, unless otherwise specified, must include:

(1) the date the documentation occurred;

(2) the day, month, and year when the service was provided;

(3) the service name or description of the service provided; and

(4) the name, individual provider identifier, signature, and title, if any, of the person providing the service. If the service is provided by multiple staff, the provider may designate a staff member responsible for verifying services and completing the documentation required by this paragraph. The designated staff member verifying the services must include in the documentation of the provision of a service the names and individual provider identifiers of all staff who provided the service.

Sec. 23. Minnesota Statutes 2024, section 256B.4912, subdivision 14, is amended to read:

Subd. 14. **Equipment and supply documentation requirements.** (a) ~~In addition to~~ An equipment and supply services provider must follow the requirements in subdivision 12, except for the requirement to provide an individual provider identifier. An equipment and supply services provider must also include for each documentation of the provision of a service ~~include~~:

(1) the recipient's assessed need for the equipment or supply;

(2) the reason the equipment or supply is not covered by the Medicaid state plan;

(3) the type and brand name of the equipment or supply delivered to or purchased by the recipient, including whether the equipment or supply was rented or purchased;

(4) the quantity of the equipment or supply delivered or purchased; and

(5) the cost of the equipment or supply if the amount paid for the service depends on the cost.

(b) A provider must maintain a copy of the shipping invoice or a delivery service tracking log or other documentation showing the date of delivery that proves the equipment or supply was delivered to the recipient or a receipt if the equipment or supply was purchased by the recipient.

Sec. 24. Minnesota Statutes 2024, section 256B.4912, subdivision 15, is amended to read:

Subd. 15. **Adult day service documentation and billing requirements.** (a) In addition to the requirements in subdivision 12, a provider of adult day services as defined in section 245A.02, subdivision 2a, and licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, must maintain documentation of:

(1) a needs assessment and current plan of care according to section 245A.143, subdivisions 4 to 7, or Minnesota Rules, part 9555.9700, for each recipient, if applicable;

(2) attendance records as specified under section 245A.14, subdivision 14, paragraph (a), including the date of attendance with the day, month, and year; and the pickup and drop-off time in hours and minutes with a.m. and p.m. designations;

(3) the monthly and quarterly program requirements in Minnesota Rules, part 9555.9710, subparts 1, items E and H; 3; 4; and 6, if applicable;

(4) the name, individual provider identifier, and qualification of each registered physical therapist, registered nurse, and registered dietitian who provides services to the adult day services or nonresidential program; and

(5) the location where the service was provided. If the location is an alternate location from the usual place of service, the documentation must include the address, or a description if the address is not available, of both the origin site and destination site; the length of time at the alternate location with a.m. and p.m. designations; and a list of participants who went to the alternate location.

(b) A provider must not exceed the provider's licensed capacity. If a provider exceeds the provider's licensed capacity, the ~~department~~ commissioner must recover all Minnesota health care programs payments from the date the provider exceeded licensed capacity.

Sec. 25. **MANDATORY COMPLIANCE TRAINING FOR CURRENTLY ENROLLED HIGH-RISK MEDICAL ASSISTANCE PROVIDERS.**

The owners and employees of any medical assistance provider agency subject to the requirements of Minnesota Statutes, section 256B.0444, subdivision 2, and enrolled before January 1, 2027, must complete initial compliance training by January 1, 2028. Owners and employees of PCA and CFSS agencies who enrolled before January 1, 2027, and have previously completed training under Minnesota Statutes, section 256B.0659, subdivision 21, paragraph (c), or 256B.85, subdivision 12, paragraph (c), are not subject to the initial training requirements of this section but must repeat the compliance training prior to revalidation as a medical assistance provider.

Sec. 26. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; UNREDACTED INITIAL OPTUM REPORTS.**

(a) For the purposes of this section, "initial Optum reports" means the reports produced by Optum, Inc., under contract with the Department of Human Services and announced in the news release from the department on February 6, 2026.

(b) Notwithstanding any law to the contrary, upon a joint request by both the chairs and ranking minority members of a legislative committee with jurisdiction over human services policy and finance, the commissioner of human services must immediately release the initial Optum reports to

the members of that legislative committee in the reports' entirety without redactions or edits, except for redactions requested by Optum to protect proprietary information. Legislators or legislative staff who receive initial Optum reports under this section must not disseminate or publicize any not public data, as defined in Minnesota Statutes, section 13.02, subdivision 8a, that the reports contain.

EFFECTIVE DATE. This section is effective 14 days following final enactment.

Sec. 27. **OPTUM PROHIBITED FROM DISSEMINATING PRIVATE DATA.**

Optum, Inc., must not sell, share, or disseminate any private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, that Optum receives under or incidental to Optum's contract or engagement with the Department of Human Services pursuant to the governor's Executive Order No. 25-10.

Sec. 28. **REPEALER.**

Minnesota Statutes 2025 Supplement, sections 256B.051, subdivision 6b; and 256B.0701, subdivision 11, are repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "program" insert ", other human services programs, and programs administered by the commissioner of children, youth, and families" and delete everything after the semicolon

Page 1, line 5, delete "medical assistance program integrity advisory board;"

Page 1, line 9, delete "appropriating money;"

Amend the title numbers accordingly

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator McEwen from the Committee on Labor, to which were referred the following appointments:

BOARD OF ELECTRICITY
Keith Colvard
Sarah Gudmunson
Steve Haiby
Jeff Heimerl
Travis Thul
Desiree Weigel

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.

Senator McEwen from the Committee on Labor, to which were referred the following appointments:

BOARD OF HIGH PRESSURE PIPING SYSTEMS
Joseph Abbot
Aubrey Archer
Edgar Castro
Sam Christenson
Erik Hansen
Robert Lind
Matthew Marquis
Patrick McCullough
Jacob Pettit
Roger Thein
Dennis Theisen
Mark Worms

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. 3870, 3824, 2971, 1373, 4273, 3987, 3985, 3964, 4367, 3888, 3704, 3900, 4537, 4293, 4171, 2320, 4446, 4374, 4525, 4390, 2814, 281, 4543, 3295, 4520, 4652, 4406, 1857, 4006, 4223, 4760, 4366, 4496, 4168, 4660, 2061, 4177, 3685, 3959, 4874, 4555, 4301, 4206, 4379, 4294, 4703, 4602, 4735, and 476 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Wiklund introduced--

S.F. No. 4933: A bill for an act relating to human services; increasing medical assistance reimbursement rates for mental health services; amending Minnesota Statutes 2025 Supplement, section 256B.761, by adding a subdivision; repealing Minnesota Statutes 2024, section 256B.0625, subdivision 38.

Referred to the Committee on Health and Human Services.

Senator Weber introduced--

S.F. No. 4934: A bill for an act relating to labor and industry; modifying treatment of independent contractors; amending Minnesota Statutes 2024, section 181.723, subdivisions 4, 7.

Referred to the Committee on Labor.

Senators McEwen and Hauschild introduced--

S.F. No. 4935: A bill for an act relating to environment; appropriating money for a study of critical materials in the waste stream.

Referred to the Committee on Environment, Climate, and Legacy.

Senators Housley and Abeler introduced--

S.F. No. 4936: A bill for an act relating to education; requiring Minnesota State High School League members to allow broadcast over public access channels; amending Minnesota Statutes 2024, section 128C.02, by adding a subdivision.

Referred to the Committee on Education Policy.

Senator Dahms introduced--

S.F. No. 4937: A bill for an act relating to transportation; providing for identification of a lifetime permit to discharge a firearm or bow and arrow from a stationary motor vehicle on drivers' licenses and Minnesota identification cards; amending Minnesota Statutes 2024, sections 97B.055, subdivision 3; 171.07, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Weber introduced--

S.F. No. 4938: A bill for an act relating to capital investment; amending a prior appropriation for capital projects owned by the Lincoln-Pipestone Rural Water System; amending Laws 2023, chapter 71, article 1, section 15, subdivision 9.

Referred to the Committee on Capital Investment.

Senator Johnson Stewart introduced--

S.F. No. 4939: A bill for an act relating to education finance; appropriating money for student mental health grants.

Referred to the Committee on Education Finance.

Senator Johnson Stewart introduced--

S.F. No. 4940: A bill for an act relating to health insurance; requiring coverage of medical services and prescription medications for the treatment of dementia; modifying step therapy requirements for medical assistance; amending Minnesota Statutes 2024, section 256B.0625, subdivision 13f; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Commerce and Consumer Protection.

Senators Westrom, Green, and Drazkowski introduced--

S.F. No. 4941: A bill for an act relating to game and fish; allowing the use of motorized waterfowl boats in wildlife management areas under certain conditions; amending Minnesota Statutes 2024, section 97A.133, by adding a subdivision.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Farnsworth introduced--

S.F. No. 4942: A bill for an act relating to energy; exempting certain municipal electric utilities from the life-cycle analysis requirement; amending Minnesota Statutes 2024, section 216B.1691, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Environment, and Climate.

Senator Holmstrom introduced--

S.F. No. 4943: A bill for an act relating to transportation; taxation; authorizing motor vehicle registration tax holiday for one year.

Referred to the Committee on Transportation.

Senators Dibble, Kreun, Pappas, Port, and Lucero introduced--

S.F. No. 4944: A bill for an act relating to housing cooperatives; modifying the organization and operation of housing cooperatives; addressing member violations; requiring certain disclosures and notice; permitting a purchaser to cancel; establishing express and implied warranties; requiring insurance; requiring upkeep; making clarifying, technical, and conforming changes; amending Minnesota Statutes 2024, sections 308C.003, by adding subdivisions; 308C.005, subdivisions 4, 7, 9, 10, 12, 13, 22, 23, 27, 29, 31, 33, 41, 43, 46, 47, 48, by adding subdivisions; 308C.009, subdivision 1; 308C.201; 308C.205; 308C.215, subdivisions 1, 3; 308C.221, subdivisions 1, 3, 4; 308C.225, subdivisions 1, 2, 3; 308C.241, subdivisions 1, 2, by adding a subdivision; 308C.245; 308C.301, subdivisions 1, 2; 308C.311; 308C.312; 308C.401; 308C.405; 308C.411, subdivision 1; 308C.415, subdivision 1; 308C.421, subdivision 3; 308C.425, subdivision 2; 308C.441, subdivision 1; 308C.451, subdivisions 1, 2; 308C.471, subdivisions 4, 6; 308C.475, subdivisions 1, 5; 308C.501, subdivisions 1, 2, by adding a subdivision; 308C.505; 308C.511, subdivisions 1, 3; 308C.525, subdivision 1; 308C.531, subdivisions 2, 6; 308C.535, subdivisions 1, 2; 308C.541, subdivision 1; 308C.545, subdivisions 3, 5, by adding subdivisions; 308C.601, subdivisions 2, 6, by adding subdivisions;

308C.602; 308C.603, subdivisions 1, 4, by adding a subdivision; 308C.612, subdivisions 1, 2, 3, by adding subdivisions; 308C.613, subdivisions 1, 2; 308C.614; 308C.615; 308C.625, subdivisions 1, 2; 308C.801, as amended; 308C.835; 308C.902, subdivision 2; 308C.905, subdivision 1; 308C.925; 308C.935, subdivision 2; 308C.941, subdivision 2; 515B.1-102; Minnesota Statutes 2025 Supplement, sections 308C.411, subdivision 2; 308C.545, subdivision 1; 308C.571, subdivision 1; 515B.3-101; 515B.3-103; proposing coding for new law in Minnesota Statutes, chapter 308C; repealing Minnesota Statutes 2024, sections 308C.003, subdivision 3; 308C.005, subdivisions 8, 20, 32, 34, 36, 37, 38, 42, 44; 308C.241, subdivisions 3, 4, 5, 6; 308C.301, subdivisions 3, 4, 5, 6, 7, 10, 11, 12; 308C.411, subdivisions 5, 6; 308C.415, subdivision 2; 308C.501, subdivisions 3, 4; 308C.502; 308C.601, subdivisions 1, 3, 5, 7; 308C.605; 308C.611; 308C.612, subdivisions 4, 5, 6; 308C.616; 308C.627; 308C.701; 308C.705; 308C.711; 308C.715; 308C.721, subdivision 1; 308C.725; 308C.805; Minnesota Statutes 2025 Supplement, sections 308C.301, subdivisions 8, 9, 13; 308C.721, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

Senator Xiong introduced--

S.F. No. 4945: A bill for an act relating to taxation; making policy and technical changes to tax-related data practices provisions; amending Minnesota Statutes 2024, sections 270B.12, subdivision 7, by adding a subdivision; 270B.14, subdivision 17, by adding subdivisions; Minnesota Statutes 2025 Supplement, sections 299C.061, subdivision 6; 299C.76, subdivision 1.

Referred to the Committee on Taxes.

Senators Abeler, Housley, Duckworth, Coleman, and Hoffman introduced--

S.F. No. 4946: A bill for an act relating to taxation; property; prohibiting an increase in property value for homesteads owned by persons age 65 or older; amending Minnesota Statutes 2024, sections 273.11, subdivision 5, by adding a subdivision; 273.121, subdivision 1; 276.04, subdivision 2.

Referred to the Committee on Taxes.

Senators Mohamed, Oumou Verbeten, Clark, Port, and Boldon introduced--

S.F. No. 4947: A bill for an act relating to landlord and tenant; permitting termination of lease upon loss of income of tenant; proposing coding for new law in Minnesota Statutes, chapter 504B.

Referred to the Committee on Judiciary and Public Safety.

Senators Hoffman, Abeler, and Housley introduced--

S.F. No. 4948: A bill for an act relating to capital investment; appropriating money for a community center on the White Earth Reservation.

Referred to the Committee on Capital Investment.

Senators Oumou Verbeten and Clark introduced--

S.F. No. 4949: A bill for an act relating to corrections; limiting strip searches in state correctional facilities; amending Minnesota Statutes 2024, section 243.48, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senators Oumou Verbeten and Mohamed introduced--

S.F. No. 4950: A bill for an act relating to human services; establishing medical assistance coverage of culturally specific health and wellness services; establishing a task force; requiring a report; amending Minnesota Statutes 2024, section 256B.0625, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senators Oumou Verbeten and Clark introduced--

S.F. No. 4951: A bill for an act relating to public safety; eliminating fines and fees in juvenile proceedings; amending Minnesota Statutes 2024, sections 260B.188, subdivision 1; 260B.198, subdivision 1; 260B.225, subdivision 9; 260B.235, subdivision 4; 260B.331, subdivision 1; 340A.703; Minnesota Statutes 2025 Supplement, section 169.686, subdivision 1; repealing Minnesota Statutes 2024, section 260B.331, subdivision 5.

Referred to the Committee on Judiciary and Public Safety.

Senator Kupec introduced--

S.F. No. 4952: A bill for an act relating to construction codes; modifying continuing education requirements for online courses; amending Minnesota Statutes 2024, section 326B.0981, subdivision 3; Minnesota Statutes 2025 Supplement, section 326B.0981, subdivision 4.

Referred to the Committee on Labor.

Senator Koran introduced--

S.F. No. 4953: A bill for an act relating to public safety; establishing the crime of providing material support or resources for terrorism; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary and Public Safety.

Senator Lang introduced--

S.F. No. 4954: A bill for an act proposing an amendment to the Minnesota Constitution, article XII, by adding sections; prohibiting unfunded mandates by the state to local governments.

Referred to the Committee on State and Local Government.

Senators Drazkowski, Westrom, Holmstrom, Heintzeman, and Lucero introduced--

S.F. No. 4955: A bill for an act relating to historic places; designating Quality Learing Center as historic place; amending Minnesota Statutes 2024, section 138.664, by adding a subdivision.

Referred to the Committee on State and Local Government.

Senators Clark, Limmer, Hawj, and Howe introduced--

S.F. No. 4956: A bill for an act relating to public safety; appropriating money for development and implementation of a unified 911 center awareness platform that allows 911 centers to communicate and coordinate emergency responses.

Referred to the Committee on Judiciary and Public Safety.

Senator Pha introduced--

S.F. No. 4957: A bill for an act relating to commerce; modifying provisions for registered designated caregivers; increasing patient and cannabis plant limits; amending Minnesota Statutes 2024, section 342.09, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 342.52, subdivision 9.

Referred to the Committee on Commerce and Consumer Protection.

Senator Johnson introduced--

S.F. No. 4958: A bill for an act relating to taxation; economic development; modifying tax reduction authority; removing restrictions; amending Minnesota Statutes 2024, sections 469.171, subdivisions 1, 4, 6a; 469.1731, subdivision 1.

Referred to the Committee on Taxes.

Senator Coleman introduced--

S.F. No. 4959: A bill for an act relating to education finance; limiting state-paid free school lunches to families with incomes at or below 500 percent of the federal poverty guidelines; establishing school wellness and resiliency aid; increasing resources for school-linked behavioral health grants; appropriating money; amending Minnesota Statutes 2024, section 124D.111, subdivisions 1, 1c, 1d, 4, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 124D.111, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 126C.

Referred to the Committee on Education Finance.

Senator Weber introduced--

S.F. No. 4960: A bill for an act relating to taxation; apportionment of trade or business income; requiring foreign sales factors in the apportionment percentage of certain taxpayers; amending Minnesota Statutes 2024, sections 290.191, subdivision 2, by adding a subdivision; 290.21, subdivision 10.

Referred to the Committee on Taxes.

Senator Hauschild introduced--

S.F. No. 4961: A bill for an act relating to taxation; property tax refunds; excluding scholarships, dependent flexible spending accounts, and health flexible spending accounts from the income definition used by the homestead credit refund program; amending Minnesota Statutes 2025 Supplement, section 290A.03, subdivision 3.

Referred to the Committee on Taxes.

Senators Hauschild and Green introduced--

S.F. No. 4962: A bill for an act relating to natural resources; requiring extensions of certain timber permits; amending Minnesota Statutes 2024, sections 90.101, subdivision 2; 90.151, subdivision 1.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Champion introduced--

S.F. No. 4963: A bill for an act relating to economic development; appropriating money for a grant to Power of People Leadership Institute for the Girls Taking Action and Boys of Hope programs.

Referred to the Committee on Jobs and Economic Development.

Senators Rarick, Mathews, Lucero, Holmstrom, and Coleman introduced--

S.F. No. 4964: A bill for an act relating to education; removing nondiscrimination and faith-statement restrictions on eligible institutions and enrollment options; amending Minnesota Statutes 2025 Supplement, section 124D.09, subdivision 3.

Referred to the Committee on Education Policy.

Senators Rasmusson, Utke, Kupec, and Johnson introduced--

S.F. No. 4965: A bill for an act relating to capital investment; appropriating money for regional solid waste management facilities for Prairie Lakes Municipal Solid Waste Authority; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Hawj introduced--

S.F. No. 4966: A bill for an act relating to transportation; authorizing certain organizations to use grant awards to pay administrative costs for the Lights On program; amending Minnesota Statutes 2024, section 169.515, subdivision 5.

Referred to the Committee on Transportation.

Senator Champion introduced--

S.F. No. 4967: A bill for an act relating to housing; appropriating money for a special purpose credit loan program through Build Wealth MN.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Dibble introduced--

S.F. No. 4968: A bill for an act relating to transportation; Metropolitan Council; making forecast adjustments to special transportation service; appropriating money; amending Laws 2025, First Special Session chapter 8, article 1, section 3, subdivisions 1, 3.

Referred to the Committee on Transportation.

Senator Rasmusson introduced--

S.F. No. 4969: A bill for an act relating to state government; directing the commissioner of management and budget to include detailed medical assistance costs in the state forecast; requiring a report; amending Minnesota Statutes 2024, section 16A.103, by adding a subdivision.

Referred to the Committee on State and Local Government.

Senators Rasmusson, Utke, Kreun, and Coleman introduced--

S.F. No. 4970: A bill for an act relating to human services; modifying electronic visit verification requirements; amending Minnesota Statutes 2024, section 256B.073, subdivision 2.

Referred to the Committee on Human Services.

Senator Dibble introduced--

S.F. No. 4971: A bill for an act relating to capital investment; establishing an emergency shelter facility grant program; proposing coding for new law in Minnesota Statutes, chapter 256K.

Referred to the Committee on Capital Investment.

Senator Dibble introduced--

S.F. No. 4972: A bill for an act relating to economic development; modifying provisions in the PROMISE grant program; amending Laws 2023, chapter 53, article 18, section 2, subdivision 4, as amended.

Referred to the Committee on Jobs and Economic Development.

Senator Kupec introduced--

S.F. No. 4973: A bill for an act relating to agriculture; authorizing commercial feed licensees to employ veterinarians; amending Minnesota Statutes 2024, section 25.341, by adding a subdivision.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Hawj introduced--

S.F. No. 4974: A bill for an act relating to housing; authorizing the issuance of housing infrastructure bonds to finance a grant to Face to Face Health and Counseling Services, Inc.; appropriating money; amending Minnesota Statutes 2024, section 462A.37, subdivision 5, by adding a subdivision.

Referred to the Committee on Housing and Homelessness Prevention.

Senator Hawj introduced--

S.F. No. 4975: A bill for an act relating to veterans; authorizing certain former officers of the Public Health Service and the National Oceanic and Atmospheric Administration to reside in state veterans homes; amending Minnesota Statutes 2024, section 198.01.

Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.

Senator Hawj introduced--

S.F. No. 4976: A bill for an act relating to environment; requiring financial assurance for certain feedlot permits; requiring inventories and reports; appropriating money; amending Minnesota Statutes 2024, section 116.07, by adding subdivisions.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Hawj introduced--

S.F. No. 4977: A bill for an act relating to public safety; expanding and refining the procedures of the Clemency Review Commission and Board of Pardons; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, sections 638.09, by adding a subdivision; 638.12, subdivision 2; 638.14, subdivision 5; 638.16, subdivision 1; 638.18, subdivision 2; 638.19, subdivision 1; 638.23; Laws 2025, chapter 35, article 2, section 8.

Referred to the Committee on Judiciary and Public Safety.

Senator Boldon introduced--

S.F. No. 4978: A bill for an act relating to health; permitting Formulary Committee members with a potential conflict of interest to participate in committee communications and discussions; requiring the commissioner of human services to develop a public comment process for recommendations to the Formulary Committee; requiring the Formulary Committee to seek expertise from the Minnesota Rare Disease Advisory Council; amending Minnesota Statutes 2024, section 256B.0625, subdivisions 13f, 13g; Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 13c.

Referred to the Committee on Health and Human Services.

Senator Boldon introduced--

S.F. No. 4979: A bill for an act relating to early education; establishing the Task Force on Early Childhood Educator Licensure; requiring a report; providing for appointments; appropriating money.

Referred to the Committee on Health and Human Services.

Senator Boldon introduced--

S.F. No. 4980: A bill for an act relating to local government; prohibiting penalties for certain uses of public land by homeless individuals; providing an affirmative defense in criminal proceedings; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 363B.

Referred to the Committee on State and Local Government.

Senator Hemmingsen-Jaeger introduced--

S.F. No. 4981: A bill for an act relating to civil law; creating a civil cause of action for trespass of intangible particulate matter; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary and Public Safety.

Senator Hemmingsen-Jaeger introduced--

S.F. No. 4982: A bill for an act relating to capital investment; authorizing a lease-purchase agreement and the sale and issuance of certificates of participation to fund improvements to or replacement of the state's MAXIS system; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Capital Investment.

Senator Pratt introduced--

S.F. No. 4983: A bill for an act relating to capital investment; appropriating money for burn structure and system upgrades at the SCALE regional public safety training facility in the city of Jordan; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Koran and Coleman introduced--

S.F. No. 4984: A bill for an act relating to education; establishing the Mindful Foundations pilot program for students in prekindergarten through grade 1; requiring a report; appropriating money.

Referred to the Committee on Education Finance.

Senators Koran and Coleman introduced--

S.F. No. 4985: A bill for an act relating to education; establishing a grant for a student mentoring program through Students Together Respecting the Importance and Purpose of Education in Schools (STRIPES) program; requiring a report; appropriating money.

Referred to the Committee on Education Finance.

Senators Rest, Wiklund, Murphy, and Dibble introduced--

S.F. No. 4986: A bill for an act relating to taxation; modifying authority related to the Hennepin County local sales tax; providing for grants to county health care facilities and to the ballpark authority for certain improvements; amending Minnesota Statutes 2024, sections 473.756, by adding a subdivision; 473.757, subdivisions 1, 3, 4, 7, 8, 9, 10, 11, by adding subdivisions; 473.759, subdivision 3.

Referred to the Committee on Taxes.

Senators Rest, Pha, Hoffman, and Dibble introduced--

S.F. No. 4987: A bill for an act relating to taxation; sales and use; providing a refundable exemption for construction materials for the Blue Line Extension light rail transit line; amending Minnesota Statutes 2024, section 297A.71, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 297A.75, subdivisions 1, 2, 3.

Referred to the Committee on Taxes.

Senator Rarick introduced--

S.F. No. 4988: A bill for an act relating to transportation; permitting a per-axle weight increase for bulk dry goods haulers; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Senator Bahr introduced--

S.F. No. 4989: A bill for an act relating to transportation; requiring the Metropolitan Council to provide special transportation service in the city of Ramsey; appropriating money.

Referred to the Committee on Transportation.

Senator Seeberger introduced--

S.F. No. 4990: A bill for an act relating to public safety; eliminating requirement for counties to fund ARMER network expansion; establishing state funding for public safety radio communications infrastructure; establishing framework for collaboration and interoperability across law enforcement jurisdictions; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2024, section 403.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 403.

Referred to the Committee on Judiciary and Public Safety.

Senator Seeberger introduced--

S.F. No. 4991: A bill for an act relating to public safety; appropriating money for ongoing maintenance for digital geographic information system mapping for school facilities.

Referred to the Committee on Judiciary and Public Safety.

Senators Westlin, Dibble, Pha, and Clark introduced--

S.F. No. 4992: A bill for an act relating to immigration; limiting state and local government participation in federal civil immigration enforcement efforts; restricting where certain arrests can be made; creating a cause of action for certain violations of constitutional rights; requiring hospitals to establish and implement policies for interactions with law enforcement agents; providing for enforcement; providing immunity for certain acts; prohibiting denial of an education based on immigration status; providing a civil cause of action when right to education is denied based on immigration status; classifying data; requiring reports; appropriating money; amending Minnesota Statutes 2025 Supplement, sections 13.32, subdivision 5; 181.932, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 120A; 135A; 144; 604; 629; repealing Minnesota Statutes 2024, sections 631.50; 631.51.

Referred to the Committee on Judiciary and Public Safety.

Senator Boldon introduced--

S.F. No. 4993: A bill for an act relating to child care and early education; establishing the Minnesota Board of Early Care and Education; providing duties and responsibilities; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2024, section 142E.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 142D.

Referred to the Committee on Health and Human Services.

Senator Gruenhagen introduced--

S.F. No. 4994: A bill for an act relating to local government; authorizing online publication when no qualified newspaper is available; amending Minnesota Statutes 2024, sections 331A.01, subdivisions 1, 7, 12, by adding a subdivision; 331A.03; 331A.04, subdivision 4; 331A.06, subdivision 1; 331A.08, subdivision 3; 331A.09; Minnesota Statutes 2025 Supplement, section 331A.10, subdivision 2; repealing Minnesota Statutes 2024, section 331A.12, subdivision 1.

Referred to the Committee on State and Local Government.

Senator Kunesh introduced--

S.F. No. 4995: A bill for an act relating to capital investment; appropriating money for a public safety facility in the city of St. Anthony Village; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Maye Quade introduced--

S.F. No. 4996: A bill for an act relating to human services; requiring the commissioner of human services to provide an estimate of departmental earnings; appropriating money for human services program implementation, administrative oversight, internal controls, and organizational capacity.

Referred to the Committee on Health and Human Services.

Senator Maye Quade introduced--

S.F. No. 4997: A bill for an act relating to civil law; providing requirements for artificial intelligence chatbot technology; creating a cause of action for harm caused by artificial intelligence chatbot use; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary and Public Safety.

Senator Miller introduced--

S.F. No. 4998: A bill for an act relating to taxation; local government aids; requiring payment of disparity reduction aid to jurisdictions in Fillmore County; appropriating money.

Referred to the Committee on Taxes.

Senator Limmer introduced--

S.F. No. 4999: A bill for an act relating to taxation; modifying class 2 classification for agricultural land and clarifying definition of market farming; amending Minnesota Statutes 2025 Supplement, section 273.13, subdivision 23.

Referred to the Committee on Taxes.

Senator Kunesh introduced--

S.F. No. 5000: A bill for an act relating to finance; establishing a onetime school safety aid and grant program; appropriating money.

Referred to the Committee on Education Finance.

Senator Kunesh introduced--

S.F. No. 5001: A bill for an act relating to public safety; defining domestic assault by strangulation as a violent crime; amending Minnesota Statutes 2024, section 609.1095, subdivision 1.

Referred to the Committee on Judiciary and Public Safety.

Senator Kupec introduced--

S.F. No. 5002: A bill for an act relating to public safety; establishing hazard mitigation grant program to support mitigation planning and mitigation projects that diminish potential effects of emergencies; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 12B.

Referred to the Committee on Judiciary and Public Safety.

MOTIONS AND RESOLUTIONS

Senator Mathews moved that the name of Senator Klein be added as a co-author to S.F. No. 1435. The motion prevailed.

Senator Maye Quade moved that the name of Senator Klein be added as a co-author to S.F. No. 1857. The motion prevailed.

Senator Seeberger moved that the name of Senator Putnam be added as a co-author to S.F. No. 2484. The motion prevailed.

Senator Mann moved that the name of Senator Abeler be added as a co-author to S.F. No. 3717. The motion prevailed.

Senator Putnam moved that the name of Senator Nelson be added as a co-author to S.F. No. 3753. The motion prevailed.

Senator Mann moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 3844. The motion prevailed.

Senator Johnson Stewart moved that the name of Senator Kunesh be added as a co-author to S.F. No. 3852. The motion prevailed.

Senator Maye Quade moved that the name of Senator Hemmingsen-Jaeger be added as a co-author to S.F. No. 3891. The motion prevailed.

Senator Clark moved that the name of Senator Gustafson be added as a co-author to S.F. No. 3959. The motion prevailed.

Senator Oumou Verbeten moved that the name of Senator Port be added as a co-author to S.F. No. 3971. The motion prevailed.

Senator Boldon moved that the name of Senator Mann be added as a co-author to S.F. No. 3983. The motion prevailed.

Senator Johnson Stewart moved that the name of Senator Latz be added as a co-author to S.F. No. 4126. The motion prevailed.

Senator Hoffman moved that the name of Senator Hemmingsen-Jaeger be added as a co-author to S.F. No. 4160. The motion prevailed.

Senator Mann moved that the name of Senator Abeler be added as a co-author to S.F. No. 4165. The motion prevailed.

Senator Coleman moved that the name of Senator Miller be added as a co-author to S.F. No. 4189. The motion prevailed.

Senator Hoffman moved that the name of Senator Nelson be added as a co-author to S.F. No. 4274. The motion prevailed.

Senator Kreun moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 4312. The motion prevailed.

Senator Hoffman moved that the name of Senator Howe be added as a co-author to S.F. No. 4339. The motion prevailed.

Senator Pappas moved that the name of Senator Boldon be added as a co-author to S.F. No. 4409. The motion prevailed.

Senator Howe moved that the name of Senator Hoffman be added as a co-author to S.F. No. 4464. The motion prevailed.

Senator Kreun moved that the name of Senator Mann be added as a co-author to S.F. No. 4473. The motion prevailed.

Senator Maye Quade moved that the name of Senator Hemmingsen-Jaeger be added as a co-author to S.F. No. 4507. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 4509. The motion prevailed.

Senator Duckworth moved that the name of Senator Clark be added as a co-author to S.F. No. 4515. The motion prevailed.

Senator Kupec moved that the name of Senator Nelson be added as a co-author to S.F. No. 4517. The motion prevailed.

Senator Dibble moved that the name of Senator Nelson be added as a co-author to S.F. No. 4518. The motion prevailed.

Senator Clark moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4627. The motion prevailed.

Senator Rest moved that the name of Senator Bahr be added as a co-author to S.F. No. 4678. The motion prevailed.

Senator Kreun moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 4696. The motion prevailed.

Senator Pha moved that the name of Senator Kunesh be added as a co-author to S.F. No. 4737. The motion prevailed.

Senator Kreun moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 4756. The motion prevailed.

Senator Bahr moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4757. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 4795. The motion prevailed.

Senator Marty moved that the name of Senator McEwen be added as a co-author to S.F. No. 4849. The motion prevailed.

Senator Champion moved that the name of Senator Rest be added as a co-author to S.F. No. 4872. The motion prevailed.

Senator Gustafson moved that the name of Senator Drazkowski be added as a co-author to S.F. No. 4874. The motion prevailed.

Senator Hoffman moved that the name of Senator Gruenhagen be added as a co-author to S.F. No. 4911. The motion prevailed.

Senator Maye Quade moved that the name of Senator Boldon be added as a co-author to S.F. No. 4927. The motion prevailed.

Senator Housley moved that the name of Senator Cwodzinski be added as a co-author to S.F. No. 4928. The motion prevailed.

Senator Johnson moved that the name of Senator Rarick be added as a co-author to S.F. No. 3949. The motion prevailed.

Senator Rest moved that S.F. No. 3900, now on General Orders, be stricken and re-referred to the Committee on Taxes. The motion prevailed.

Senators Rarick, Champion, and Miller introduced --

Senate Resolution No. 72: A Senate resolution reaffirming its commitment to the strengthening and deepening of the sister ties between the State of Minnesota and Taiwan; reaffirming its support for the Taiwan Relations Act by urging all enterprises in Minnesota to refer to Taiwan as Taiwan; supporting Taiwan's signing of a bilateral trade agreement, the avoidance of double taxation agreement, and the Indo-Pacific economic framework for prosperity with the United States; and reiterating continued support for increasing Taiwan's international profile.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated S.F. No. 3769 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 3769: A bill for an act relating to health care; continuing to disallow drug manufacturers from restricting delivery of 340B prescription drugs; providing for enforcement; removing an expiration date; amending Minnesota Statutes 2024, section 62J.96, by adding a subdivision; repealing Minnesota Statutes 2024, section 62J.96, subdivision 3.

Senator Rasmusson moved to amend S.F. No. 3769 as follows (A-2):

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2025 Supplement, section 62J.461, subdivision 3, is amended to read:

Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered entity shall report to the commissioner by April 1 of each year the following information for transactions conducted by the 340B covered entity or on its behalf, and related to its participation in the federal 340B program for the previous calendar year:

(1) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(2) the aggregated payment amount received for drugs obtained under the 340B program and dispensed or administered to patients:

(i) that are net of the contracted price for insurance claims payments; and

(ii) that reflect the portion of payment received from grants, cash, or other payment types that relate to the dispensing or administering of drugs obtained under the 340B program;

(3) the number of pricing units dispensed or administered for prescription drugs described in clause (2); ~~and~~

(4) information about how the entity used its estimated net revenues generated through the 340B program, including but not limited to information about how any revenues were used to assist the entity's patients; and

(5) the aggregated payments made:

(i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for other internal, direct expenses related to administering the 340B program with a detailed description of the direct costs included.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 2. Minnesota Statutes 2025 Supplement, section 62J.461, subdivision 5, is amended to read:

Subd. 5. **Reports to the legislature.** (a) By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b), and includes the information required under paragraph (b) of this subdivision. For all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota, the following information must also be included in the report:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

(b) The report must include:

(1) an analysis of how 340B covered entities use net revenues generated through the 340B program, including studying the extent to which and the avenues by which the net revenues reach patient populations;

(2) a comparison of how the 340B program is administered by covered entities in Minnesota and in other states, with the goal of understanding how state-level actions affect how 340B covered entities administer the program;

(3) an examination of whether participation in the 340B program influences a health care provider's prescribing patterns, drug utilization, and overall health care spending;

(4) an examination of how the 340B program affects manufacturer drug pricing; and

(5) recommendations for state-level actions that can improve the 340B program's goal of supporting safety net health care providers.

Sec. 3. Minnesota Statutes 2024, section 62J.96, subdivision 1, is amended to read:

Subdivision 1. **Manufacturers.** (a) A manufacturer must not directly or indirectly restrict, prohibit, or otherwise interfere with the delivery of a covered outpatient drug to a pharmacy that is

under contract with a 340B covered entity to receive and dispense covered outpatient drugs on behalf of the covered entity, unless the delivery of the drug to the pharmacy is prohibited under the 340B Drug Pricing Program.

(b) Nothing in this section prohibits a manufacturer, as a condition of the acquisition of a covered outpatient drug by, or delivery of a the drug to, a pharmacy that is under contract with or otherwise authorized by a 340B covered entity to receive covered outpatient drugs on behalf of the covered entity, from requesting additional information from the 340B covered entity with respect to the covered outpatient drug dispensed through the pharmacy, provided that:

(1) the information requested is provided directly to the requesting manufacturer, or an entity under contract with the manufacturer to receive the information;

(2) the information requested directly pertains to the 340B covered entity's compliance with United States Code, title 42, section 256b(a)(5), as supported by a written explanation by the manufacturer of how the information pertains to compliance, and the manufacturer only uses the information to verify the covered entity's compliance with the federal law;

(3) the information provided is not used by a pharmacy benefit manager, third-party administrator, or any other entity to reduce reimbursement to the 340B covered entity or as a basis for imposing fees, chargebacks, clawbacks, adjustments, or other assessments on the 340B covered entity; and

(4) the manufacturer takes reasonable measures to minimize the burden on the 340B covered entity for providing the information."

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 31 and nays 35, as follows:

Those who voted in the affirmative were:

Abeler	Green	Johnson	Mathews	Weber
Bahr	Gruenhagen	Koran	Miller	Wesenberg
Coleman	Heintzeman	Kreun	Nelson	Westrom
Dornink	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Duckworth	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Farnsworth.

Those who voted in the negative were:

Boldon	Dibble	Hemmingsen-Jaeger	Latz	Murphy
Carlson	Fateh	Hoffman	Mann	Oumou Verbeten
Champion	Frentz	Johnson Stewart	Marty	Pappas
Clark	Gustafson	Klein	Maye Quade	Pha
Cwodzinski	Hauschild	Kunesh	McEwen	Port
Dahms	Hawj	Kupec	Mohamed	Putnam

Rest	Seeberger	Westlin	Wiklund	Xiong

Pursuant to Rule 40, Senator Westlin cast the negative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, Pappas, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Rasmusson moved to amend S.F. No. 3769 as follows (A-5):

Page 1, after line 11, insert:

"Sec. 2. Minnesota Statutes 2024, section 62J.96, is amended by adding a subdivision to read:

Subd. 5. **340B covered entity charge limit.** A 340B covered entity is prohibited from charging an uninsured patient or patient covered by a high deductible health plan, as defined in section 62Q.01, an amount for a prescription drug that exceeds the 340B covered entity's acquisition cost for the prescription drug under the 340B program, as defined in section 62J.461."

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	Farnsworth	Jasinski	Lucero	Utke
Bahr	Green	Johnson	Mathews	Weber
Coleman	Gruenhagen	Koran	Miller	Wesenberg
Dahms	Heintzeman	Kreun	Nelson	Westrom
Dornink	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Duckworth	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Farnsworth.

Those who voted in the negative were:

Boldon	Frentz	Klein	McEwen	Putnam
Carlson	Gustafson	Kunesh	Mohamed	Rest
Champion	Hauschild	Kupec	Murphy	Seeberger
Clark	Hawj	Latz	Oumou Verbeten	Westlin
Cwodzinski	Hemmingsen-Jaeger	Mann	Pappas	Wiklund
Dibble	Hoffman	Marty	Pha	Xiong
Fateh	Johnson Stewart	Maye Quade	Port	

Pursuant to Rule 40, Senator Westlin cast the negative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, Pappas, and Port.

The motion did not prevail. So the amendment was not adopted.

Senator Rasmusson moved to amend S.F. No. 3769 as follows (A-3):

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2024, section 62J.824, is amended by adding a subdivision to read:

Subd. 2. **Provider-based clinic prohibition.** Health care providers are prohibited from charging, billing, or collecting a facility fee for the following when provided at a provider-based clinic:

(1) services provided by telehealth as defined in section 62A.673, subdivision 2, paragraph (h), when the patient is located outside the facility; and

(2) the provision of preventative items and services, as defined in section 62Q.46, subdivision 1."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Frentz questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Rasmusson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Johnson Stewart	Maye Quade	Port
Boldon	Frentz	Klein	McEwen	Putnam
Carlson	Gustafson	Kunesh	Mohamed	Rest
Champion	Hauschild	Kupec	Murphy	Seeberger
Clark	Hawj	Latz	Oumou Verbeten	Westlin
Cwodzinski	Hemmingsen-Jaeger	Mann	Pappas	Wiklund
Dibble	Hoffman	Marty	Pha	Xiong

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, Pappas, and Port.

Those who voted in the negative were:

Bahr	Green	Johnson	Mathews	Weber
Coleman	Gruenhagen	Koran	Miller	Wesenberg
Dahms	Heintzeman	Kreun	Nelson	Westrom
Dornink	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Duckworth	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Farnsworth.

So the decision of the President was sustained.

Senator Gruenhagen moved to amend S.F. No. 3769 as follows (A-4):

Page 1, after line 11, insert:

"Sec. 2. Minnesota Statutes 2024, section 62J.96, is amended by adding a subdivision to read:

Subd. 5. **340B revenue prohibited use.** A 340B covered entity is prohibited from using revenue generated from the 340B program, as defined in section 62J.461, for surgical services provided to a minor to support and affirm the minor's gender identity or gender expression."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Frentz questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Rasmusson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Klein	McEwen	Putnam
Carlson	Gustafson	Kunesh	Mohamed	Rest
Champion	Hauschild	Kupec	Murphy	Seeberger
Clark	Hawj	Latz	Oumou Verbeten	Westlin
Cwodzinski	Hemmingsen-Jaeger	Mann	Pappas	Wiklund
Dibble	Hoffman	Marty	Pha	Xiong
Fateh	Johnson Stewart	Maye Quade	Port	

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, and Port.

Those who voted in the negative were:

Abeler	Farnsworth	Jasinski	Lucero	Utke
Bahr	Green	Johnson	Mathews	Weber
Coleman	Gruenhagen	Koran	Miller	Wesenberg
Dahms	Heintzeman	Kreun	Nelson	Westrom
Dornink	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Duckworth	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Farnsworth.

So the decision of the President was sustained.

Senator Lieske moved to amend S.F. No. 3769 as follows (A-6):

Page 1, delete section 1

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 31 and nays 35, as follows:

Those who voted in the affirmative were:

Bahr	Green	Johnson	Mathews	Weber
Coleman	Gruenhagen	Koran	Miller	Wesenberg
Dahms	Heintzeman	Kreun	Nelson	Westrom
Dornink	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Duckworth	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Farnsworth.

Those who voted in the negative were:

Abeler	Fateh	Johnson Stewart	Maye Quade	Port
Boldon	Frentz	Klein	McEwen	Putnam
Carlson	Gustafson	Kunesh	Mohamed	Rest
Champion	Hauschild	Kupec	Murphy	Seeberger
Clark	Hawj	Latz	Oumou Verbeten	Westlin
Cwodzinski	Hemmingsen-Jaeger	Mann	Pappas	Wiklund
Dibble	Hoffman	Marty	Pha	Xiong

Pursuant to Rule 40, Senator Westlin cast the negative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, and Port.

The motion did not prevail. So the amendment was not adopted.

S.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 42 and nays 24, as follows:

Those who voted in the affirmative were:

Boldon	Fateh	Koran	Mohamed	Seeberger
Carlson	Frentz	Kunesh	Murphy	Utke
Champion	Gustafson	Kupec	Nelson	Weber
Clark	Hauschild	Latz	Oumou Verbeten	Westlin
Cwodzinski	Hawj	Mann	Pappas	Wiklund
Dahms	Hemmingsen-Jaeger	Marty	Pha	Xiong
Dibble	Hoffman	Maye Quade	Port	
Duckworth	Johnson Stewart	McEwen	Putnam	
Farnsworth	Klein	Miller	Rest	

Pursuant to Rule 40, Senator Westlin cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Latz, Oumou Verbeten, and Port.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Farnsworth.

Those who voted in the negative were:

Abeler	Green	Howe	Lieske	Rarick
Bahr	Gruenhagen	Jasinski	Limmer	Rasmusson
Coleman	Heintzeman	Johnson	Lucero	Wesenberg
Dornink	Holmstrom	Kreun	Mathews	Westrom
Drazkowski	Housley	Lang	Pratt	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Coleman.

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senator Draheim was excused from the Session of today.

ADJOURNMENT

Senator Murphy moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 9, 2026. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate