SIXTY-FIRST LEGISLATIVE DAY

St. Paul, Minnesota, Tuesday, April 21, 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, Bishop Patricia Lull.

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 3832: A bill for an act relating to agriculture; modifying eligibility for the Dairy Assistance, Investment, Relief Initiative (DAIRI) program; amending Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 20, 2026

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2358, 3453, 3496, 3593, 3621, 3629, 3676, 3762, 3768, 3769, 3782, 3825, 3826, 3827, 4133, and 4425.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 20, 2026

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2358: A bill for an act relating to public safety; providing enhanced criminal penalty for certain violations of coercion crime; amending Minnesota Statutes 2024, section 609.27, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 281, now on General Orders.

H.F. No. 3453: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3704, now on General Orders.

H.F. No. 3496: A bill for an act relating to corrections; modifying the supervision abatement status policy; amending Minnesota Statutes 2025 Supplement, section 244.46, subdivision 1.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 3593: A bill for an act relating to transportation; designating a portion of marked Trunk Highway 58 in Zumbrota as "Officer / Firefighter Gary L. Schroeder, Jr. Memorial Highway"; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3640, now on General Orders.

H.F. No. 3621: A bill for an act relating to state government; withholding payments to program participants under certain circumstances; amending Minnesota Statutes 2025 Supplement, section 15.013.

Referred to the Committee on State and Local Government.

H.F. No. 3629: A bill for an act relating to state government; changing provisions for grants management; amending Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision 11; 16B.991, subdivision 1.

Senator Murphy, Chair of the Committee on Rules and Administration, moved that H.F. No. 3629 be laid on the table. The motion prevailed.

H.F. No. 3676: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3959, now on General Orders.

H.F. No. 3762: A bill for an act relating to public safety; authorizing chiefs of police and sheriffs to open certain expunged records to determine eligibility to purchase, receive, or carry a firearm; amending Minnesota Statutes 2024, section 260B.198, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 609A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3929, now on General Orders.

H.F. No. 3768: A bill for an act relating to corrections; clarifying responsibilities of Department of Corrections licensed juvenile and adult community-based residential correctional facilities; amending Minnesota Statutes 2024, section 241.021, subdivisions 1f, 4a; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 241; repealing Minnesota Statutes 2024, section 241.021, subdivisions 1g, 1h, 2a, 2b, 3, 6; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2.

Referred to the Committee on State and Local Government.

H.F. No. 3769: 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; amending Minnesota Statutes 2024, sections 241.021, subdivision 4a; 241.69, subdivisions 1, 3, 4, 5, 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4293, now on General Orders.

H.F. No. 3782: A bill for an act relating to public safety; requiring disclosure of chemical irritants used in certain buildings; requiring the commissioner of public safety to develop a standard form; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4144.

H.F. No. 3825: A bill for an act relating to public safety; 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; amending Minnesota Statutes 2024, sections 609.133, subdivision 4; 609.3471; 611A.03, subdivision 1, by adding a subdivision; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1.

Senator Murphy, Chair of the Committee on Rules and Administration, moved that H.F. No. 3825 be laid on the table. The motion prevailed.

H.F. No. 3826: A bill for an act relating to public safety; modifying and adding definitions for purposes of identity theft crime; providing the attorney general and county attorneys with additional subpoena authority; altering statutes of limitation for certain fraud-related offenses; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 609.527, subdivision 1; Minnesota Statutes 2025 Supplement, sections 388.23, subdivision 1; 628.26.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 3827: A bill for an act relating to public safety; 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; amending Minnesota Statutes 2024, sections 299C.05; 299C.065; 299C.46, subdivision 6; 609A.015, subdivision 5; Minnesota Statutes 2025 Supplement, section 609.2334, subdivision 11; repealing Minnesota Statutes 2024, section 299C.12.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4371, now on General Orders.

H.F. No. 4133: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 4406, now on General Orders.

H.F. No. 4425: A bill for an act relating to fraud; increasing the statute of limitations for crimes involving medical assistance fraud or other theft of money belonging to the government; amending Minnesota Statutes 2025 Supplement, section 628.26.

Referred to the Committee on Judiciary and Public Safety.

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 325, 4667, 4404, 3432, and 4377. The motion prevailed.

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

S.F. No. 4612: A bill for an act relating to health; eliminating a reporting requirement; amending Minnesota Statutes 2024, section 62V.05, subdivision 7.

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 HEALTH

Section 1. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit. Data made available under this subdivision may not be used to:

(1) create an unfair market advantage for any participant in the health care market in Minnesota, including health plan companies, payers, and providers;

(2) reidentify or attempt to reidentify an individual in the data; or

(3) publicly report contract details between a health plan company and provider and derived from the data.

(b) To implement paragraph (a), the commissioner shall:

(1) establish detailed requirements for data access; a process for data users to apply to access and use the data; legally enforceable data use agreements to which data users must consent; a clear and robust oversight process for data access and use, including a data management plan, that ensures compliance with state and federal data privacy laws; agreements for state agencies and the University of Minnesota to ensure proper and efficient use and security of data; and technical assistance for users of the data and for stakeholders;

(2) ~~develop a~~ assess fees according to the fee schedule in subdivision 14 to support the cost of expanded access to and use of the data, provided the fees charged under the schedule do not create a barrier to access or use for those most affected by disparities; ~~and~~

(3) create a research advisory group to advise the commissioner on applications for data use under this subdivision, including an examination of the rigor of the research approach, the technical capabilities of the proposed user, and the ability of the proposed user to successfully safeguard the data.; and

(4) annually publish on the Department of Health website a list of projects authorized under this subdivision.

Sec. 2. Minnesota Statutes 2024, section 62U.04, is amended by adding a subdivision to read:

Subd. 14. **Fees for expanded access to and use of the all-payer claims database.** (a) For purposes of this section:

(1) "custom data set or analysis" means a de-identified data set or report for which a standard data set or limited use data sets are not appropriate, that only provides the minimum necessary data, and that is de-identified using the expert determination method as defined in Code of Federal Regulations, title 45, section 164.514(b)(1);

(2) "data file" means a data file derived from medical claims, pharmacy claims, dental claims, eligibility information, membership information, or provider information for a single year;

(3) "limited use data set" means a data set that meets the requirements in Code of Federal Regulations, title 45, section 164.514(e)(2), and may include protected health information from which certain direct identifiers of individuals have been removed under the principle of minimum information necessary; and

(4) "standard data set" means a static data release, designed by the commissioner to serve a wide range of projects, in which nearly all de-identified data elements are disclosed in one release after applying the safe harbor de-identification method defined in Code of Federal Regulations, title 45, section 164.514(b)(2), and from which protected health information and any combination of data elements that directly identify any person are excluded.

(b) The commissioner must assess fees on an individual or organization that receives data under subdivision 13 for the cost of accessing or receiving the data. Costs under this paragraph may include but are not limited to the cost of producing and releasing data to the individual or organization under subdivision 13 and the cost of managing infrastructure and operations. The commissioner must assess fees according to the following schedule based on the type of data requested and number of years for which access is requested:

(1) the fee for a standard data set is $3,500 per data file per year;

(2) the fee for a limited use data set is $7,000 per data file per year; and

(3) the fee for a custom data set or analysis is $89 per hour of staff time expended, but the fee must not exceed $5,785.

(c) An individual or organization that receives approval to access or receive data under subdivision 13 must pay all the required fees in full before accessing or receiving the requested data.

(d) The commissioner may grant a partial or full waiver of the fees in paragraph (b) if the individual or organization requesting the data meets at least one of the following criteria:

(1) the fees represent a financial hardship to the individual or organization;

(2) the organization is a self-insured data submitter under this section;

(3) the individual or organization is affiliated with an academic institution;

(4) the individual or organization requests a high volume of data files; or

(5) the request is from a Tribal health director for, or the governing body of, one of the 11 federally recognized Tribes in Minnesota.

In determining whether to grant a waiver under this paragraph, the commissioner may consult the research advisory group established under subdivision 13.

(e) Fees paid by an individual or organization approved to access or receive data under subdivision 13 are nonrefundable. Fees collected under this subdivision must be deposited into an account in the special revenue fund. Money in that account does not cancel and is appropriated to the commissioner to offset the cost of providing access to data under subdivision 13 and the cost of maintaining data submitted under subdivisions 4 to 5b.

(f) The commissioner must publish the fee schedule in paragraph (b) on the Department of Health website.

Sec. 3. **[103I.2091] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM; VARIANCES.**

(a) The commissioner must consider a variance for an undue burden under Minnesota Rules, part 4717.7010, to isolation distance requirements for a water supply well used in a submerged closed loop heat exchanger system if:

(1) the water supply well will be used for the sole purpose of heating and cooling;

(2) the water supply well will be constructed with additional protective casing and grout to prevent potential contamination of the well and groundwater and will exceed the well construction standards in Minnesota Rules, parts 4725.3050, subpart 3, and 4725.4825, sufficient to protect against potential contamination sources associated with the isolation distance requirements; and

(3) strict compliance with the isolation distance requirements would prevent the property owner from installing an effectively designed submerged closed loop heat exchanger system.

(b) The variance application must include an evaluation by a third-party licensed professional engineer that quantifies a loss of system efficiency or describes a loss of construction feasibility for the submerged closed loop heat exchanger system that results from complying with isolation distance requirements. Any licensed professional engineer who is not employed by the variance applicant or the firm designing the submerged closed loop heat exchanger system is considered a third party under this statute.

Sec. 4. Minnesota Statutes 2024, section 144.1222, is amended by adding a subdivision to read:

Subd. 2e. **Private residential pool used for certified swimming classes.** Notwithstanding Minnesota Rules, part 4717.0250, subpart 7, a private residential pool may be used as part of a business if the private residential pool is used by a paying guest of the homeowner and the guest is participating in a certified swimming class conducted by the homeowner, provided that:

(1) the homeowner is a certified swimming instructor and is conducting a certified swimming class on a one-on-one basis;

(2) not more than four individuals are in the pool at the same time during the class;

(3) prior to each new paying guest beginning participation in a certified swimming class:

(i) the guest, or the guest's parent or legal guardian if the guest is a minor, provides written consent to use of the pool. The written consent must include a statement that the guest, or the guest's parent or legal guardian if the guest is a minor, has received and read materials provided by the Department of Health with information on the risk of disease transmission and other risks associated with pools; and a statement that the Department of Health does not monitor or inspect the homeowner's pool to ensure compliance with the requirements in this section or Minnesota Rules, chapter 4717; and

(ii) the homeowner tests the pool's water for the concentration of chlorine or bromine, pH, and alkalinity, and the water in the pool meets the requirements for disinfection residual, pH, and alkalinity in Minnesota Rules, part 4717.1750, subparts 3 to 6; and

(4) the following notice is conspicuously posted at the pool and, prior to each new paying guest beginning participation in a certified swimming class, is provided to the guest or to the guest's parent or legal guardian if the guest is a minor:

"NOTICE

This pool is exempt from state and local anti-entrapment and sanitary requirements that prevent waterborne diseases such as Legionnaires' disease, Pseudomonas folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

USE AT YOUR OWN RISK"

Sec. 5. Minnesota Statutes 2024, section 144.1222, subdivision 4, is amended to read:

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "ASME/ANSI standard" means a safety standard accredited by the American National Standards Institute and published by the American Society of Mechanical Engineers.

(c) "ASTM standard" means a safety standard issued by ASTM International, formerly known as the American Society for Testing and Materials.

(d) "Public pool" means any pool other than a private residential pool, that is: (1) open to the public generally, whether for a fee or free of charge; (2) open exclusively to members of an organization and their guests; (3) open to residents of a multiunit apartment building, apartment complex, residential real estate development, or other multifamily residential area; (4) open to patrons of a hotel or lodging or other public accommodation facility; or (5) operated by a person in a park, school, licensed child care facility, group home, motel, camp, resort, club, condominium, manufactured home park, or political subdivision with the exception of swimming pools at family day care homes licensed under section 142B.41, subdivision 9, paragraph (a).

(e) "Unblockable suction outlet or drain" means a drain of any size and shape that a human body cannot sufficiently block to create a suction entrapment hazard and meets ASME/ANSI standards.

(f) "Certified swimming class" means an infant swimming resource (ISR) class; an American Red Cross swimming class, swimming lesson, or learn-to-swim class; or any other swimming class certified by a nationally accredited organization that operates in all 50 states.

(g) "Certified swimming instructor" means a certified ISR instructor; a certified American Red Cross swimming instructor or swim coach; or any other swimming instructor certified by a nationally accredited organization that operates in all 50 states.

Sec. 6. Minnesota Statutes 2025 Supplement, section 144.125, subdivision 1, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be $184.35 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund. If the individual described in paragraph (a) submits a claim for reimbursement to an insurer but does not receive reimbursement, the individual may request a special fee exemption form from the newborn screening program. To qualify for the exemption, the individual must provide documentation to the newborn screening program that the insurer did not reimburse them.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be $15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 7. Minnesota Statutes 2024, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Availability.** (a) The commissioner of health shall use money appropriated for health professional education loan forgiveness in this section:

(1) for medical residents, physicians, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate care facility for persons with developmental disability; in a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; in an assisted living facility as defined in section 144G.08, subdivision 7; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas;

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51c.303; and

(7) for nurses employed as a hospital nurse by a nonprofit hospital and providing direct care to patients at the nonprofit hospital.

(b) Appropriations made for health professional education loan forgiveness in this section do not cancel and are available until expended~~, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund~~.

Sec. 8. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and loan forgiveness, and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship or loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law

or rule to the contrary, amounts appropriated for purposes of this section do not cancel and are available until expended~~, except that at the end of each biennium, any remaining amount that is not committed by contract and not needed to fulfill existing commitments shall cancel to the general fund~~.

Sec. 9. Minnesota Statutes 2024, section 144.1505, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or ~~is~~ presents a credible plan as a candidate for accreditation;

(2) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program that is located in Minnesota and ~~is either~~:

(i) is approved by the Board of Dentistry; ~~or~~

(ii) is currently accredited by the Commission on Dental Accreditation; or

(iii) presents a credible plan as a candidate for accreditation;

(3) "eligible mental health professional program" means a program that is located in Minnesota and is ~~listed~~ currently accredited as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family therapy, or licensed professional clinical counseling, or ~~is~~ presents a credible plan as a candidate for accreditation;

(4) "eligible pharmacy program" means a program that is located in Minnesota, ~~and~~ is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education, or presents a credible plan as a candidate for accreditation;

(5) "eligible physician assistant program" means a program that is located in Minnesota, ~~and~~ is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or ~~is~~ presents a credible plan as a candidate for accreditation;

(6) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18;

(7) "eligible physician training program" means a medical school training program or a physician residency training program located in Minnesota ~~and~~ that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation;

(8) "eligible dental program" means a dental education program or a dental residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation; ~~and~~

(9) "rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2;

(10) "underserved community" means a Minnesota area or population included in the list of designated primary medical care health professional shortage areas, medically underserved areas, or medically underserved populations maintained and updated by the United States Department of Health and Human Services; and

(11) "project" means a project to ~~establish or expand~~ (i) plan or implement a new eligible clinical training ~~for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota~~ program or increase the base number of trainees in an existing eligible clinical training program, or (ii) add or expand rural rotations or clinical training experiences in an existing eligible clinical training program.

Sec. 10. Minnesota Statutes 2024, section 144.1505, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award ~~health professional training site~~ grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement ~~expanded~~ a new eligible clinical training program or increase the base number of trainees in an existing eligible clinical training program. Clinical training must take place in a rural community or an underserved community. A planning grant shall not exceed $75,000, and a three-year training grant shall not exceed $300,000 per project. The commissioner may provide a ~~one-year,~~ no-cost extension for grants.

(b) For health professional rural ~~and underserved~~ clinical rotations grants, the commissioner of health shall award ~~health professional training site~~ grants to existing eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional training programs to ~~augment existing clinical training programs to~~ add, expand, or enhance rural ~~and underserved~~ rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. Rotations and clinical training experiences must take place in rural communities, excluding the cities of Duluth, Moorhead, Rochester, and St. Cloud. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

(c) Advanced practice provider clinical training expansion grant funds may be used for:

(1) ~~establishing or expanding rotations~~ planning and implementing a new clinical training program or increasing the base number of trainees in an existing clinical training program as described in paragraph (a);

(2) recruitment, training, and retention of students ~~and~~, faculty, and preceptors;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship ~~activities~~ opportunities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of health equity and cultural ~~competency~~ responsiveness training;

(7) evaluations of the clinical training program to inform program improvements;

(8) training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a training program; ~~and~~

(9) supporting clinical education in which trainees are part of a primary care team model~~.~~; and

(10) onboarding expenses for trainees to meet clinical training site requirements.

(d) Health professional rural clinical rotation grant funds may be used for:

(1) adding, expanding, or enhancing rural rotations and clinical training experiences in an existing clinical training program as described in paragraph (b);

(2) recruitment, training, and retention of students, faculty, and preceptors;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship opportunities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, stipends, or other financial support;

(6) development and implementation of health equity and cultural responsiveness training;

(7) evaluations of the rural rotation or clinical training experience to inform program improvements;

(8) training site improvements, fees, equipment, and supplies required to establish or expand rural rotations or clinical training experiences;

(9) supporting clinical education in which trainees are part of a primary care team model; and

(10) onboarding expenses for trainees to meet clinical training site requirements.

Sec. 11. Minnesota Statutes 2024, section 144.1505, subdivision 3, is amended to read:

Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, dental, physician, and mental health professional programs seeking a grant shall apply to the commissioner. Applications for advanced practice provider clinical training expansion grants must include a description of the number of additional students who will be trained using grant funds~~;~~ and attestation that funding will be used to support an increase in the number of clinical training slots~~;~~.

All applications must include a description of the problem that the proposed project will address; a description of the project, including all costs associated with the project~~,~~; sources of funds for the project~~,~~; detailed uses of all funds for the project, and the results expected; and a plan to maintain

or operate ~~any component included in~~ the project after the grant period, including a description of potential barriers to sustainability.

~~The applicant~~ Applicants must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization.

~~Applicants applying under subdivision 2, paragraph (b),~~ Applications for rural clinical rotation grants must include a description of the new, expanded, or enhanced rural rotations or clinical training experiences; attestation that funding will be used to support improved rural clinical training experiences; and information about length of training and training site settings, geographic location of rural sites, and rural populations expected to be served.

Sec. 12. Minnesota Statutes 2024, section 144.1507, subdivision 1, is amended to read:

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

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency training programs or in community-based ambulatory care centers that primarily serve the underserved, or trains postdoctoral psychology residents; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or the American Psychological Association or presents a credible plan to obtain accreditation.

(c) "Rural community" means a Tribal Nation, statutory city, home rule charter city, or township in Minnesota that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(c)~~ (d) "Rural residency training program" means a rural medical residency program or a rural psychology residency program that provides ~~an initial year of~~ training in an accredited residency program in Minnesota. ~~The subsequent years of the residency program are~~ At least two-thirds of the residency training must be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers. When specialty rotations cannot take place within rural communities, training may occur in nonrural sites provided that at least one-half of all training occurs in rural communities. For residency training programs in general surgery, pediatrics, and psychiatry, at least one-half of the residency training must be based in communities outside the seven-county metropolitan area, with rotations in rural communities.

~~(d)~~ (e) "Community-based ambulatory care centers" means federally qualified health centers, community mental health centers, rural health clinics, health centers operated by the Indian Health Service, an Indian Tribe or Tribal organization, or an urban American Indian organization or an entity receiving funds under Title X of the Public Health Service Act.

~~(e)~~ (f) "Eligible project" means a project to establish and maintain a rural residency training program.

Sec. 13. Minnesota Statutes 2024, section 144.1507, subdivision 2, is amended to read:

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan, implement, and sustain rural residency training programs. A rural medical residency training program grant shall not exceed $250,000 per year for up to three years for planning and development, and $225,000 per resident per year for each year thereafter to sustain the program. A rural psychology residency training program grant shall not exceed $150,000 per year for up to three years for planning and development and $150,000 per resident per year for each year thereafter to sustain the program. Medical and psychology residency programs that meet eligibility guidelines and continue to demonstrate financial need shall be granted sustaining funds, renewable every five years.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing accredited rural residency training programs;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education, the American Psychological Association, or another national body that accredits rural residency training programs;

(3) establishing new rural residency training programs;

(4) recruitment, training, and retention of new residents and faculty related to the new rural residency training program;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new rural residency training programs;

(7) training site improvements, fees, equipment, and supplies required for new rural residency training programs; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Sec. 14. Minnesota Statutes 2024, section 144.1507, subdivision 4, is amended to read:

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when the funding is available. If eligible programs are not eligible for federal graduate medical education funding, the commissioner may award continuation funding to the eligible program beyond the initial grant period without requiring a competitive application. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general surgery, psychology, and other primary care focus areas.

Sec. 15. Minnesota Statutes 2024, section 144.1507, is amended by adding a subdivision to read:

Subd. 6. **Clinical training program coordination.** The commissioner may award grants to the University of Minnesota to provide technical assistance to residency training programs for coordinated development of rural clinical training programs statewide.

Sec. 16. Minnesota Statutes 2024, section 144.1911, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The international medical graduates assistance program is established to address barriers to practice and facilitate pathways to assist immigrant international medical graduates to integrate into the Minnesota health care delivery system, with the goal of increasing access to primary care in rural and underserved areas of the state. Notwithstanding any law to the contrary, appropriations made to the program do not cancel and are available until expended.

Sec. 17. Minnesota Statutes 2024, section 144.1911, subdivision 5, is amended to read:

Subd. 5. **Clinical preparation.** (a) The commissioner shall award grants to support clinical preparation for Minnesota international medical graduates needing additional clinical preparation or experience to qualify for residency. The grant program shall include:

(1) proposed training curricula;

(2) associated policies and procedures for clinical training sites, which must be part of existing clinical medical education programs in Minnesota; and

(3) monthly stipends for international medical graduate participants. Priority shall be given to primary care sites in rural or underserved areas of the state~~, and~~. International medical graduate participants who receive funding through the international medical graduate primary care residency grant program must commit to serving at least five years in a rural or underserved community of the state.

(b) The policies and procedures for the clinical preparation grants must be developed by December 31, 2015, including an implementation schedule that begins awarding grants to clinical preparation programs beginning in June of 2016.

Sec. 18. Minnesota Statutes 2024, section 144.1911, subdivision 6, is amended to read:

Subd. 6. **International medical graduate primary care residency grant program and revolving account.** (a) The commissioner shall award grants to support primary care residency positions designated for Minnesota immigrant physicians who are willing to serve in rural or underserved areas of the state. No grant shall exceed $150,000 per residency position per year. Eligible primary care residency grant recipients include accredited family medicine, general surgery, internal medicine, obstetrics and gynecology, psychiatry, and pediatric residency programs. Eligible primary care residency programs shall apply to the commissioner. Applications must include the number of anticipated residents to be funded using grant funds and a budget. ~~Notwithstanding any law to the contrary, funds awarded to grantees in a grant agreement do not lapse until the grant~~

~~agreement expires.~~ Before any funds are distributed, a grant recipient shall provide the commissioner with the following:

(1) a copy of the signed contract between the primary care residency program and the participating international medical graduate;

(2) certification that the participating international medical graduate has lived in Minnesota for at least two years and is certified by the Educational Commission on Foreign Medical Graduates. Residency programs may also require that participating international medical graduates hold a Minnesota certificate of clinical readiness for residency, once the certificates become available; and

(3) verification that the participating international medical graduate has executed a participant agreement pursuant to paragraph (b).

(b) Upon acceptance by a participating residency program, international medical graduates shall enter into an agreement with the commissioner to provide primary care for at least five years in a rural or underserved area of Minnesota after graduating from the residency program and make payments to the revolving international medical graduate residency account for five years beginning in their second year of postresidency employment. Participants shall pay $15,000 or ten percent of their annual compensation each year, whichever is less.

(c) A revolving international medical graduate residency account is established as an account in the special revenue fund in the state treasury. The commissioner of management and budget shall credit to the account appropriations, payments, and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account. Funds in the account are appropriated annually to the commissioner to award grants and administer the grant program established in paragraph (a). Notwithstanding any law to the contrary, any funds deposited in the account do not expire. The commissioner may accept contributions to the account from private sector entities subject to the following provisions:

(1) the contributing entity may not specify the recipient or recipients of any grant issued under this subdivision;

(2) the commissioner shall make public the identity of any private contributor to the account, as well as the amount of the contribution provided; and

(3) a contributing entity may not specify that the recipient or recipients of any funds use specific products or services, nor may the contributing entity imply that a contribution is an endorsement of any specific product or service.

Sec. 19. Minnesota Statutes 2024, section 145A.14, subdivision 2a, is amended to read:

Subd. 2a. **Tribal governments.** (a) Of the funding available for local public health grants, $1,500,000 per year is available to Tribal governments for:

(1) maternal and child health activities ~~under section 145.882, subdivision 7~~;

(2) activities to reduce health disparities ~~under section 145.928, subdivision 10~~; ~~and~~

(3) emergency preparedness; and

(4) additional public health activities identified by each Tribal government.

(b) The commissioner, in consultation with Tribal governments, shall establish a formula for distributing the funds and developing the outcomes to be measured.

ARTICLE 2

DEPARTMENT OF HUMAN SERVICES

Section 1. **[245A.034] CONDUCT TOWARD PUBLIC OFFICIALS.**

(a) Applicants, license holders, certification holders, and controlling individuals must not engage in conduct that threatens the safety or well-being of Department of Human Services staff, county employees, or other individuals acting under the authority of the commissioner for duties authorized under this chapter, chapter 260E, or section 626.557. The conduct described under this paragraph includes but is not limited to:

(1) assault, including attempts, under sections 609.221, 609.222, 609.223, 609.2231, and 609.224, regardless of whether there is a criminal proceeding or conviction;

(2) threats of violence under section 609.713, regardless of whether there is a criminal proceeding or conviction;

(3) harassment or stalking under section 609.749, regardless of whether there is a criminal proceeding or conviction;

(4) damage to property under section 609.595, regardless of whether there is a criminal proceeding or conviction; or

(5) any other act with the intent to cause harm to personal safety.

(b) If the commissioner determines that an applicant, license holder, certification holder, or controlling individual engaged in conduct described under paragraph (a) against an individual performing licensing, certification, investigation, or compliance activities, the commissioner may take action under section 245A.05, 245A.06, or 245A.07 against the applicant, license holder, certification holder, or controlling individual.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095;

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made 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 ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (i) and (j), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made 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 ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(2) The license holder shall 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. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail, by personal service, or through the provider licensing and reporting hub that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit $5,000;

(iii) the license holder shall forfeit ~~$200~~ $500 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(iv) the license holder shall forfeit ~~$100~~ $300 for each occurrence of a violation of law or rule other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iii).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) 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. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers

the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256.9657, subdivision 2b, is amended to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means:

(i) PrairieCare psychiatric hospital; or

(ii) a hospital licensed under section 144.50, located in Minnesota, and with a Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS), except for the following:

(A) federal Indian Health Service facilities;

(B) state-owned or state-operated regional treatment centers and all state-operated services;

(C) federal Veterans Administration Medical Centers; and

(D) long-term acute care hospitals;

(2) "net outpatient revenue" means total outpatient revenue less Medicare revenue as calculated from:

(i) values on Worksheet G of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner; and

(3) "total patient days" means total hospital inpatient days as reported on:

(i) Worksheet S-3 of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner.

(b) Subject to paragraphs (m) to ~~(o)~~ (p), each eligible hospital must pay assessments to the hospital directed payment program account in the special revenue fund, with an aggregate annual assessment amount equal to the sum of the following:

(1) $120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

(c) The assessment amount for calendar years 2026 and 2027 must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's Medicare cost report as follows:

(1) an eligible hospital with a fiscal year ending on March 31 or June 30 must use data from a cost report from the hospital's fiscal year 2022; and

(2) an eligible hospital with a fiscal year ending on September 30 or December 31 must use data from a cost report from the hospital's fiscal year 2021.

(d) The annual assessment amount for calendar years after 2027 must be set for a two-year period and must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of the year prior to the subsequent two-year period.

(e) The commissioner may, after consultation with the Minnesota Hospital Association, modify the rates of assessment in paragraph (b) as necessary to comply with federal law, obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or otherwise maximize under this section federal financial participation for medical assistance. Notwithstanding the foregoing authorization to maximize federal financial participation for medical assistance, the commissioner must reduce the rates of assessment in paragraph (b) as necessary to ensure:

(1) the state's aggregated health care-related taxes on inpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services; and

(2) the state's aggregated health care-related taxes on outpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services.

(f) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments must be paid in the form and manner specified by the commissioner. An eligible hospital is prohibited from paying a quarterly assessment until the eligible hospital has received the applicable invoice under paragraph (g).

(g) The commissioner must provide eligible hospitals with an invoice by December 1 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the assessment due July 1, and September 1 for the assessment due October 1 each year.

(h) The commissioner must notify each eligible hospital of the hospital's estimated annual assessment amount for the subsequent calendar year by October 15 each year.

(i) If any of the dates for assessments or invoices in paragraphs (f) to (h) fall on a holiday, the applicable date is the next business day.

(j) A hospital that has merged with another hospital must have the surviving hospital's assessment revised at the start of the hospital's first full fiscal year after the merger is complete. A closed hospital is retroactively responsible for assessments owed for services provided through the final date of operations.

(k) If the commissioner determines that a hospital has underpaid or overpaid an assessment, the commissioner must notify the hospital of the unpaid assessment or of any refund due. The

commissioner must refund a hospital's overpayment from the hospital directed payment program account created in section 256B.1975, subdivision 1.

(l) Revenue from an assessment under this subdivision must only be used by the commissioner to pay the nonfederal share of the directed payment program under section 256B.1974.

(m) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when:

(1) federal financial participation is unavailable or disallowed, or if the approved aggregate federal financial participation for the directed payment under section 256B.1974 is less than 51 percent; or

(2) a directed payment under section 256B.1974 is not approved by the Centers for Medicare and Medicaid Services.

(n) The commissioner must make the following discounts from the inpatient portion of the assessment under paragraph (b), clause (1), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) Hennepin Healthcare, with a discount of 25 percent;

(2) Mayo Rochester, with a discount of ten percent;

(3) Gillette Children's Hospital, with a discount of 90 percent;

(4) each hospital not included in another discount category, and with greater than $200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of five percent; and

(5) any hospital responsible for greater than 12 percent of the total assessment annually collected statewide, with a discount in the amount necessary such that the hospital is responsible for 12 percent of the total assessment annually collected statewide.

(o) The commissioner must make the following discounts from the outpatient portion of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) each critical access hospital or independent hospital located outside a city of the first class and paid under the Medicare prospective payment system, with a discount of 40 percent;

(2) Gillette Children's Hospital, with a discount of 90 percent;

(3) Hennepin Healthcare, with a discount of 60 percent;

(4) Mayo Rochester, with a discount of 20 percent; and

(5) each hospital not included in another discount category, and with greater than $200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as

reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of ten percent.

(p) The commissioner must not impose any assessment under this subdivision on a hospital that does not receive payments under section 256B.1974.

~~(p)~~ (q) If the federal share of the hospital directed payment program under section 256B.1974 is increased as the result of an increase to the federal medical assistance percentage, the commissioner must reduce the assessment on a uniform percentage basis across eligible hospitals on which the assessment is imposed, such that the aggregate amount collected from hospitals under this subdivision does not exceed the total amount needed to maintain the same aggregate state and federal funding level for the directed payments authorized by section 256B.1974.

~~(q)~~ (r) Eligible hospitals must submit to the commissioner on an annual basis, in the form and manner specified by the commissioner in consultation with the Minnesota Hospital Association, all documentation necessary to determine the assessment amounts under this subdivision.

EFFECTIVE DATE. This section is effective the date that Laws 2025, First Special Session chapter 3, article 8, section 4, becomes effective.

Sec. 4. Minnesota Statutes 2025 Supplement, section 256.969, subdivision 2f, is amended to read:

Subd. 2f. **Alternate inpatient payment rate.** (a) Effective January 1, 2022, for a hospital eligible to receive disproportionate share hospital payments under subdivision 9, paragraph (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9, paragraph (d), clause (6), by ~~99~~ one percent and compute an alternate inpatient payment rate. The alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to what the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received the entire amount calculated under subdivision 9, paragraph (d), clause (6). This paragraph expires when paragraph (b) becomes effective.

(b) For hospitals eligible to receive payment under section 256B.1973 or 256B.1974 and meeting the criteria in subdivision 9, paragraph (d), the commissioner ~~must~~ may reduce the amount calculated under subdivision 9, paragraph (d), by one percent and compute an alternate inpatient payment rate. The alternate payment rate must be structured to target a total aggregate reimbursement amount equal to the amount that the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received 99 percent of the entire amount calculated under subdivision 9, paragraph (d). Hospitals that do not meet federal requirements for Medicaid disproportionate share hospitals are not eligible for the alternate payment rate.

EFFECTIVE DATE. This section is effective the date that Laws 2025, First Special Session chapter 3, article 8, section 5, becomes effective.

Sec. 5. Minnesota Statutes 2024, section 256B.056, subdivision 1, is amended to read:

Subdivision 1. **Residency.** (a) To be eligible for medical assistance, a person must reside in Minnesota, or, if absent from the state, be deemed to be a resident of Minnesota, in accordance with

Code of Federal Regulations, title 42, section 435.403. A child who is placed in a family foster home in Minnesota by another state is a Minnesota resident in accordance with Minnesota's interstate agreements and Code of Federal Regulations, title 42, section 435.403(k). For the purposes of this paragraph, "family foster home" has the meaning given in section 260C.007, subdivision 16b.

(b) The commissioner shall identify individuals who are enrolled in medical assistance and who are absent from the state for more than 30 consecutive days, but who continue to qualify for medical assistance in accordance with paragraph (a).

(c) If the individual is absent from the state for more than 30 consecutive days but still deemed a resident of Minnesota in accordance with paragraph (a), any covered service provided to the individual must be paid through the fee-for-service system and not through the managed care capitated rate payment system under section 256B.69 or 256L.12.

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

Sec. 6. Minnesota Statutes 2025 Supplement, section 256B.1973, subdivision 9, is amended to read:

Subd. 9. **Interaction with other directed payments.** (a) An eligible provider under subdivision 3 may participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider participating in the hospital directed payment program must not receive a directed payment under this section for any provider classes paid via the hospital directed payment program. A hospital subject to this section must notify the commissioner in writing no later than 30 days after enactment of this subdivision of the hospital's intention to participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both.

(b) The election under this subdivision is a onetime election, except that if an eligible provider elects to participate in the hospital directed payment program, and the hospital directed payment program expires or is not federally approved, the eligible provider may subsequently elect to participate in the directed payment under this section.

(c) If an eligible provider elects not to participate in the hospital directed payment program under section 256B.1974 and the federal statutes or regulations related to hospital directed payment programs are subsequently substantially changed, the eligible provider may elect to participate in the hospital directed payment program under section 256B.1974.

(d) The effective date of the election to participate in the hospital directed payment program under this section must align with the beginning of the calendar year in which payment rates under this section are updated. The eligible provider must notify the commissioner of the eligible provider's intention to make the election ten months before the effective date of the election.

Sec. 7. Minnesota Statutes 2024, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32

percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics. Effective for services delivered on or after January 1, 2024, the rates paid to critical access hospitals under this section must be adjusted to include the amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were not included in the rate adjustment described under section 256.969, subdivision 2b, paragraph (k).

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before

third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(g) Critical access hospitals that convert to rural emergency hospitals in accordance with section 1861(kkk) of the Social Security Act must be paid the rate described in paragraph (b). The rate must be classified as either an outpatient hospital rate or a clinic rate as determined upon federal approval.

Sec. 8. Minnesota Statutes 2024, section 256B.76, subdivision 2, is amended to read:

Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

(c) Effective for services rendered on or after January 1, 2000, payment rates for dental services shall be increased by three percent over the rates in effect on December 31, 1999.

(d) Effective for services provided on or after January 1, 2002, payment for diagnostic examinations and dental x-rays provided to children under age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

(e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000, for managed care.

(f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

(g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than $1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and $1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

(h) Effective for services rendered on or after January 1, 2014, through December 31, 2021, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),

federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase described in this paragraph.

(i) Effective for services provided on or after January 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 9.65 percent for dental services provided outside of the seven-county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

(j) Effective for services provided on or after July 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 23.8 percent for dental services provided to enrollees under the age of 21. This rate increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health centers. This rate increase does not apply to managed care plans and county-based purchasing plans.

(k) Effective for services provided on or after January 1, 2022, the commissioner shall exclude from medical assistance and MinnesotaCare payments for dental services to public health and community health clinics the 20 percent increase authorized under Laws 1989, chapter 327, section 5, subdivision 2, paragraph (b).

(l) Effective for services provided on or after January 1, 2022, the commissioner shall increase payment rates by 98 percent for all dental services. This rate increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health services.

(m) Effective for services provided on or after January 1, 2028, payment for dental services shall be the lower of submitted charges, or 50 percent of the 50th percentile of 2024 submitted charges. This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

(n) Beginning January 1, 2030, and every two years thereafter, the commissioner must rebase payment rates for dental services to a percentile of submitted charges for the applicable base year using charge data from claims paid by the commissioner so that the total aggregate expenditures does not exceed the total spend as outlined in paragraph (m) plus the change in the Medical Economic Index (MEI). In 2030, the change in MEI must be measured from midyear of 2028 and 2030. For each subsequent rebasing, the change in MEI must be measured between the years that are one year after the rebasing years. The base year used for each rebasing shall be the calendar year that is two years prior to the effective date of the rebasing. This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

~~(m)~~ (o) Managed care plans and county-based purchasing plans shall reimburse providers at a level that is at least equal to the rate paid under fee-for-service for dental services. If, for any coverage 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 an amount equal to any increase in rates that results from this provision. If, for any coverage year, federal approval is not received for this paragraph, the commissioner shall not implement this paragraph for subsequent coverage years.

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

Sec. 9. **REPEALER.**

Minnesota Statutes 2024, section 256B.198, is repealed.

ARTICLE 3

HUMAN SERVICES FEDERAL COMPLIANCE

Section 1. Minnesota Statutes 2024, section 245.4711, subdivision 5, is amended to read:

Subd. 5. **Coordination between case manager and community support services.** (a) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support services program as well as other mental health services.

(b) At a minimum, the case manager must have at least one case management contact with a documented core service component, as defined by the commissioner, to claim reimbursement for adult mental health targeted case management. Adult mental health case managers must not conduct the required case management contact by telephone with the adult client or the adult client's legal representative for more than two consecutive calendar months.

Sec. 2. Minnesota Statutes 2024, section 245.4881, subdivision 5, is amended to read:

Subd. 5. **Coordination between case manager and family community support services.** (a) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the family community support services as well as other mental health services for each child.

(b) At a minimum, the case manager must have at least one contact during every calendar month, conducted in person or by interactive video that meets the requirements under section 256B.0625, subdivision 20b, with the child, the child's parents, or the child's legal representative.

Sec. 3. Minnesota Statutes 2025 Supplement, section 245C.02, subdivision 15a, is amended to read:

Subd. 15a. **Reasonable cause to require a national criminal history record check.** (a) "Reasonable cause to require a national criminal history record check" means information or circumstances exist that provide the commissioner with articulable suspicion that further pertinent information may exist concerning a background study subject that merits conducting a national criminal history record check on that subject. The commissioner has reasonable cause to require a national criminal history record check when:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;

(3) the commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota; or

(4) information from the Bureau of Criminal Apprehension for a state-based name and date of birth background study in which the subject is a minor that indicates that the subject has a criminal history.

(b) In addition to the circumstances described in paragraph (a), the commissioner has reasonable cause to require a national criminal history record check if the subject is not currently residing in Minnesota or resided in a jurisdiction other than Minnesota during the previous five years.

(c) Reasonable cause to require a national criminal history check does not apply to family child foster care ~~or~~, adoption, adult day services, or adult foster care studies.

EFFECTIVE DATE. This section is effective January 25, 2028.

Sec. 4. Minnesota Statutes 2025 Supplement, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph (c), for background studies conducted by the commissioner for current or prospective child foster or adoptive parents, and for any adult working in a children's residential facility, the subject of the background study shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(b) Notwithstanding paragraph (c), for background studies conducted by the commissioner for Head Start programs, the subject of the background study shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(c) For background studies initiated on or after the implementation of NETStudy 2.0, except as provided under subdivision 5a, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph. The photograph and fingerprints must be recorded at the same time by the authorized fingerprint collection vendor or vendors and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b).

(d) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal Apprehension and, when specifically required by law, submitted to the Federal Bureau of Investigation for a national criminal history record check.

(e) The fingerprints must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will not retain background study subjects' fingerprints.

(f) The authorized fingerprint collection vendor or vendors shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized fingerprint collection vendor or vendors shall retain no more than the name and date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities.

(g) For any background study conducted under this chapter, except for family child foster care ~~or~~, adoption, adult day services, or adult foster care studies, the subject shall provide the commissioner with a set of classifiable fingerprints when the commissioner has reasonable cause to require a national criminal history record check as defined in section 245C.02, subdivision 15a.

EFFECTIVE DATE. This section is effective January 25, 2028.

Sec. 5. Minnesota Statutes 2024, section 245I.02, is amended by adding a subdivision to read:

Subd. 4a. **Case management contact.** "Case management contact" means interactive communication conducted either in person, by interactive video that meets the requirements of section 256B.0625, subdivision 20b, or by telephone with the client; client's parent; legal guardian, guardian ad litem, or attorney for clients that are children or youth under 19 years of age; or client's attorney for clients that are adults 19 years of age or older.

Sec. 6. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Health care eligibility oversight unit.** (a) The commissioner shall establish and maintain a Department of Human Services health care eligibility oversight unit responsible for collaboration at a regional level to ensure federal and state Medicaid eligibility requirements are consistently applied by all processing entities.

(b) The oversight unit must monitor compliance, identify systemic issues, and provide guidance and technical assistance to lead agencies.

(c) The commissioner shall require lead agencies to work directly with the oversight unit on corrective action planning and implementation to achieve compliance and strengthen performance outcomes.

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

Sec. 7. Minnesota Statutes 2024, section 256B.04, subdivision 27, is amended to read:

Subd. 27. **Disenrollment under medical assistance and MinnesotaCare.** (a) The commissioner shall regularly obtain and use information from reliable data sources, including but not limited to managed care and county-based purchasing plans, state health and human services programs, mail returned by the United States Postal Service with a forwarding address, and the National Change of Address database maintained by the United States Postal Service, to update mailing addresses and other contact information for medical assistance and MinnesotaCare enrollees ~~in cases of returned mail and nonresponse using information available through managed care and county-based purchasing plans, state health and human services programs, and other sources~~.

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

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 8. Minnesota Statutes 2024, section 256B.056, subdivision 2a, is amended to read:

Subd. 2a. **Home equity limit for medical assistance payment of long-term care services.** (a) Effective for requests of medical assistance payment of long-term care services filed on or after July 1, 2006, and for renewals on or after July 1, 2006, for persons who received payment of long-term care services under a request filed on or after January 1, 2006, the equity interest in the home of a person whose eligibility for long-term care services is determined on or after January 1, 2006, shall not exceed $500,000, unless it is the lawful residence of the person's spouse or child who is under age 21, or a child of any age who is blind or permanently and totally disabled as defined in the Supplemental Security Income program. The amount specified in this paragraph shall be increased beginning in year 2011, from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest $1,000.

(b) Effective January 1, 2028, the amount specified in paragraph (a) must not exceed $1,000,000.

~~(b)~~ (c) For purposes of this subdivision, a "home" means any real or personal property interest, including an interest in an agricultural homestead as defined under section 273.124, subdivision 1, that, at the time of the request for medical assistance payment of long-term care services, is the primary dwelling of the person or was the primary dwelling of the person before receipt of long-term care services began outside of the home.

~~(c)~~ (d) A person denied or terminated from medical assistance payment of long-term care services because the person's home equity exceeds the home equity limit may seek a waiver based upon a hardship by filing a written request with the county agency. Hardship is an imminent threat to the person's health and well-being that is demonstrated by documentation of no alternatives for payment of long-term care services. The county agency shall make a decision regarding the written request to waive the home equity limit within 30 days if all necessary information has been provided. The county agency shall send the person and the person's representative a written notice of decision on the request for a demonstrated hardship waiver that also advises the person of appeal rights under the fair hearing process of section 256.045.

Sec. 9. Minnesota Statutes 2024, section 256B.056, subdivision 7, is amended to read:

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

(b) Notwithstanding any other law to the contrary:

(1) a child under 19 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months;

(2) a child 19 years of age and older but under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

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

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

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

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

(3) the child dies;

(4) the child attains the maximum age; or

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

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

(e) The period of eligibility for a person eligible for medical assistance under section 256B.055, subdivision 15, is six months. The period of eligibility for all other medical assistance enrollees is 12 months.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 10. Minnesota Statutes 2024, section 256B.056, subdivision 7a, is amended to read:

Subd. 7a. **Periodic renewal of eligibility.** (a) Except as provided in paragraphs (d) and (e), 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~~ is subject to a review of the person's income every six months.

(e) Notwithstanding paragraph (a), a person who is eligible under section 256B.055, subdivision 15, and who is not an American Indian or Alaska Native is subject to a redetermination of eligibility every six months.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 11. Minnesota Statutes 2024, section 256B.0561, subdivision 2, is amended to read:

Subd. 2. **Periodic data matching.** (a) The commissioner shall conduct periodic data matching to identify recipients who, based on available electronic data, may not meet eligibility criteria for the public health care program in which the recipient is enrolled. The commissioner shall conduct data matching for medical assistance or MinnesotaCare recipients at least once during a recipient's 12-month period of eligibility, except as provided in paragraph (f).

(b) If data matching indicates a recipient may no longer qualify for medical assistance or MinnesotaCare, the commissioner must notify the recipient and allow the recipient no more than 30 days to confirm the information obtained through the periodic data matching or provide a reasonable explanation for the discrepancy to the state or county agency directly responsible for the recipient's case. If a recipient does not respond within the advance notice period or does not respond with information that demonstrates eligibility or provides a reasonable explanation for the discrepancy within the 30-day time period, the commissioner shall terminate the recipient's eligibility in the manner provided for by the laws and regulations governing the health care program for which the recipient has been identified as being ineligible.

(c) The commissioner shall not terminate eligibility for a recipient who is cooperating with the requirements of paragraph (b) and needs additional time to provide information in response to the notification.

(d) A recipient whose eligibility was terminated according to paragraph (b) may be eligible for medical assistance no earlier than the first day of the month in which the recipient provides information that demonstrates the recipient's eligibility.

(e) Any termination of eligibility for benefits under this section may be appealed as provided for in sections 256.045 to 256.0451, and the laws governing the health care programs for which eligibility is terminated.

(f) Effective January 1, 2027, a person receiving medical assistance under section 256B.055, subdivision 15, who is subject to a redetermination of eligibility every six months under section 256B.056, subdivision 7a, paragraph (e), is exempt from periodic data matching under this subdivision.

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

Sec. 12. **[256B.0562] WORK OR COMMUNITY ENGAGEMENT REQUIREMENTS.**

Subdivision 1. **Medical assistance eligibility requirement.** (a) To be eligible for medical assistance under section 256B.055, subdivision 15, a person must either demonstrate work or community engagement or meet an exemption in accordance with section 71119 of the One Big Beautiful Bill Act, Public Law 119-21.

(b) An applicant must meet the requirements under this section for the month immediately preceding the month during which the person submits an application for medical assistance.

(c) To renew eligibility pursuant to section 256B.056, subdivision 7a, a person enrolled in and receiving medical assistance must meet the requirements under this section for at least one month during the person's previous period of eligibility.

Subd. 2. **Compliance and exemptions.** (a) A person demonstrates work or community engagement under this section for a given month if the person meets at least one of the following conditions with respect to that month:

(1) the person works at least 80 hours;

(2) the person completes at least 80 hours of community service;

(3) the person participates in a work program for at least 80 hours;

(4) the person is enrolled in an educational program at least half time;

(5) the person engages in any combination of the activities in clauses (1) to (4) for a total of at least 80 hours;

(6) the person has a monthly income that is not less than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours; or

(7) the person has an average monthly income during the preceding six months that is equal to or greater than the applicable minimum wage requirement under section 6 of the Fair Labor Standards Act of 1938, multiplied by 80 hours and is a seasonal worker as defined in section 45R(d)(5)(B) of the Internal Revenue Code of 1986.

(b) A person is exempt from the requirement to demonstrate work or community engagement if the person:

(1) is an American Indian or Alaska Native;

(2) is a family caregiver, as defined in section 2 of the RAISE Family Caregivers Act, of a disabled individual;

(3) is a veteran with a disability rated as total under United States Code, title 38, section 1155;

(4) is medically frail or has special medical needs, including a person who:

(i) is blind or disabled, as defined in section 1614 of the Social Security Act;

(ii) has a substance use disorder;

(iii) has a disabling mental disorder;

(iv) has a physical, intellectual, or developmental disability that significantly impairs the person's ability to perform daily living routines; or

(v) has a serious or complex medical condition;

(5) meets the work requirements imposed by the Minnesota family investment program;

(6) is a member of a household that receives Supplemental Nutrition Assistance Program benefits and is not exempt from the requirements under section 142F.10;

(7) is participating in a drug addiction or alcoholic treatment and rehabilitation program; or

(8) is incarcerated.

(c) A person is exempt from the requirement to demonstrate work or community engagement for a given month if for part or all of that month the person is:

(1) described in paragraph (b);

(2) under 21 years of age;

(3) entitled to or enrolled in benefits under Medicare Part A or enrolled in benefits under Medicare Part B;

(4) enrolled in medical assistance under an eligibility category described in section 1902(a)(10)(A)(i), subclauses (I) to (VII), of the Social Security Act; or

(5) incarcerated at any point during the three-month period ending on the first day of the given month.

Subd. 3. **Short-term hardship events.** (a) The commissioner shall seek any approvals necessary from the federal Secretary of Health and Human Services to implement the short-term hardship exemptions described in this subdivision.

(b) A person is exempt from the requirement to demonstrate work or community engagement for a given month if the person experiences a short-term hardship event for part or all of that month.

(c) For purposes of this section, "short-term hardship event" means an event in which a person:

(1) receives inpatient hospital or nursing facility services, services in an intermediate care facility for individuals with intellectual disabilities, inpatient psychiatric hospital services, or other services of similar acuity;

(2) resides in a county in which there is an emergency or disaster declared by the President of the United States pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act;

(3) resides in a county that has an unemployment rate at or above the lesser of eight percent or 1.5 times the national unemployment rate; or

(4) must travel outside of the person's community for an extended period of time to receive medical services that are not available within the community of residence necessary to treat a serious or complex medical condition of the person or the person's dependent.

(d) A person must request the short-term hardship event exceptions described in paragraph (c), clauses (1) and (4), to be granted the exception.

Subd. 4. **Noncompliance procedure.** (a) Before denying or terminating medical assistance eligibility for failure to demonstrate work or community engagement or meet an exemption, the commissioner must provide an applicant or enrollee:

(1) a notice of noncompliance; and

(2) a period of 30 calendar days to provide evidence of compliance or exemption from the requirement.

(b) The commissioner must continue to provide medical assistance to an enrollee during the 30-day period under paragraph (a), clause (2). If the person does not provide evidence of compliance or exemption from the requirement within the 30-day period, the commissioner must deny the application or terminate eligibility by the end of the month following the month in which the 30-day period ends.

(c) Before denial or termination of eligibility, the commissioner must:

(1) provide the person with advance notice in accordance with Code of Federal Regulations, title 42, section 431.211; and

(2) determine whether the person may qualify for medical assistance under any other eligibility category.

Subd. 5. **Limitation and suspension of implementation and enforcement.** (a) The commissioner must implement and enforce this section only to the extent required under federal law as a condition of receiving federal financial participation for the medical assistance program.

(b) The commissioner must immediately suspend implementation and enforcement of this section if any one of the following conditions are met:

(1) federal law no longer requires states to impose work or community engagement requirements as a condition of receiving federal financial participation for the medical assistance program;

(2) federal law, regulation, or federal administrative guidance allows the state to discontinue enforcement of medical assistance work or community engagement requirements without the loss, reduction, or withholding of federal financial participation or any other federal financial penalty; or

(3) the commissioner determines that the conditions for the expiration of this section under subdivision 6 have been met.

(c) If implementation and enforcement are suspended under paragraph (a), the commissioner must notify the chairs and ranking members of the committees with jurisdiction over health and human services finance and policy and the revisor of statutes.

(d) The commissioner must not enforce the work or community engagement requirements established under this section if implementation is suspended under this subdivision.

Subd. 6. **Contingent expiration.** (a) This section expires if federal law requiring or authorizing work or community engagement requirements for individuals eligible for medical assistance, including but not limited to provisions enacted in Public Law 119-21, is repealed or otherwise no longer in effect.

(b) The commissioner must determine whether the conditions in paragraph (a) have been met. Upon making that determination, the commissioner must notify the chairs and ranking members of the committees with jurisdiction over health and human services finance and policy and the revisor of statutes.

Subd. 7. **Expedited rulemaking authority.** The commissioner may adopt rules necessary to implement and administer this section using the expedited rulemaking process under section 14.389. The 18-month time limit under section 14.125 does not apply to the rulemaking authority under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 13. Minnesota Statutes 2024, section 256B.06, subdivision 4, is amended to read:

Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to citizens of the United States, qualified noncitizens as defined in this subdivision, and other persons residing lawfully in the United States. Citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) "Qualified noncitizen" means a person who meets one of the following immigration criteria:

(1) admitted for lawful permanent residence according to United States Code, title 8;

(2) admitted to the United States as a refugee according to United States Code, title 8, section 1157;

(3) granted asylum according to United States Code, title 8, section 1158;

(4) granted withholding of deportation according to United States Code, title 8, section 1253(h);

(5) paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);

(6) granted conditional entrant status according to United States Code, title 8, section 1153(a)(7);

(7) determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

(8) is a child of a noncitizen determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200; or

(9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public Law 96-422, the Refugee Education Assistance Act of 1980.

(c) All qualified noncitizens who were residing in the United States before August 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation.

(d) Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:

(1) refugees admitted to the United States according to United States Code, title 8, section 1157;

(2) persons granted asylum according to United States Code, title 8, section 1158;

(3) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);

(4) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or

(5) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.

Beginning July 1, 2010, children and pregnant women who are noncitizens described in paragraph (b) or who are lawfully present in the United States as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this subdivision, a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(f) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition.

(g) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(i) services delivered in an emergency room or by an ambulance service licensed under chapter 144E that are directly related to the treatment of an emergency medical condition;

(ii) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(iii) follow-up services that are directly related to the original service provided to treat the emergency medical condition and are covered by the global payment made to the provider.

(2) Services for the treatment of emergency medical conditions do not include:

(i) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(ii) organ transplants, stem cell transplants, and related care;

(iii) services for routine prenatal care;

(iv) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(v) elective surgery;

(vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(vii) preventative health care and family planning services;

(viii) rehabilitation services;

(ix) physical, occupational, or speech therapy;

(x) transportation services;

(xi) case management;

(xii) prosthetics, orthotics, durable medical equipment, or medical supplies;

(xiii) dental services;

(xiv) hospice care;

(xv) audiology services and hearing aids;

(xvi) podiatry services;

(xvii) chiropractic services;

(xviii) immunizations;

(xix) vision services and eyeglasses;

(xx) waiver services;

(xxi) individualized education programs; or

(xxii) substance use disorder treatment.

(i) Pregnant noncitizens who are ineligible for federally funded medical assistance because of immigration status, are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 12 months postpartum.

(j) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance. The nonprofit center referenced under this paragraph may establish itself as a provider of mental health targeted case management services through a county contract under section 256.0112, subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its service area, then, notwithstanding the requirements of section 256B.0625, subdivision 20, the commissioner may negotiate a contract with the nonprofit center for provision of mental health targeted case management services. When serving clients who are not the financial responsibility of their contracted lead county, the nonprofit center must gain the concurrence of the county of financial responsibility prior to providing mental health targeted case management services for those clients.

(k) Notwithstanding paragraph (h), clause (2), the following services are covered as emergency medical conditions under paragraph (f) except where coverage is prohibited under federal law for services under clauses (1) and (2):

(1) dialysis services provided in a hospital or freestanding dialysis facility;

(2) surgery and the administration of chemotherapy, radiation, and related services necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and requires surgery, chemotherapy, or radiation treatment; and

(3) kidney transplant if the person has been diagnosed with end stage renal disease, is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

(l) Effective July 1, 2013, recipients of emergency medical assistance under this subdivision are eligible for coverage of the elderly waiver services provided under chapter 256S, and coverage of rehabilitative services provided in a nursing facility. The age limit for elderly waiver services does not apply. In order to qualify for coverage, a recipient of emergency medical assistance is subject to the assessment and reassessment requirements of section 256B.0911. Initial and continued enrollment under this paragraph is subject to the limits of available funding.

(m) Notwithstanding paragraph (i), medical assistance is only available to noncitizens who are eligible for coverage with federal financial participation provided by Medicaid or the Children's Health Insurance Program.

Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness and children with serious mental illness. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) ~~Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with serious mental illness when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.~~ To be eligible for medical assistance reimbursement, an entity must:

(1) face-to-face contacts between the case manager and the recipient;

(2) telephone contacts between the case manager and the recipient; the recipient's mental health provider or other service providers; the recipient's family, legal representative, or primary caregiver; or other interested persons;

(3) face-to-face contacts between the case manager and the recipient's mental health provider or other service providers; the recipient's family members, legal representative, or primary caregiver; or other interested persons;

(4) contacts between the case manager and the case manager's clinical supervisor about the recipient;

(5) individual community support plan and assessment development, review, and revision required under section 245.4711, subdivision 4, for an adult, or section 245.4881, subdivision 4, for a child;

(6) travel time spent by the case manager to meet face-to-face with the recipient who resides outside of the county of financial responsibility; and

(7) travel time spent by the case manager within the county of financial responsibility to meet face-to-face with the recipient or the recipient's family, legal representative, or primary caregiver.

(c) For purposes of paragraph (b), clauses (6) and (7), if a case manager arrives on time for a scheduled face-to-face appointment with a recipient or the recipient's family member, legal representative, or primary caregiver and the person fails to keep the appointment, the time spent by the case manager traveling to and from the site of the scheduled appointment is eligible for medical assistance payment. Provider entities must meet all program standards set out in rules governing

family community support services as defined in section 245.4871, subdivision 17, and Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, subpart 9.

~~(c)~~ (d) Medical assistance and MinnesotaCare payment for mental health case management ~~shall~~ must be made ~~on a monthly basis~~ in accordance with section 256B.076, subdivisions 1, 2, 5, and 6. ~~In order to receive payment for an eligible child, the provider must document at least a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the child, the child's parents, or the child's legal representative. To receive payment for an eligible adult, the provider must document:~~

~~(1) at least a face-to-face contact with the adult or the adult's legal representative either in person or by interactive video that meets the requirements of subdivision 20b; or~~

~~(2) at least a telephone contact with the adult or the adult's legal representative and document a face-to-face contact either in person or by interactive video that meets the requirements of subdivision 20b with the adult or the adult's legal representative within the preceding two months.~~

~~(d)~~ (e) Payment for mental health case management provided by county or state staff ~~shall~~ must be based on the ~~monthly~~ rate methodology under section ~~256B.094, subdivision 6, paragraph (b), with separate rates calculated for child welfare and mental health, and within mental health, separate rates for children and adults~~ 256B.076, subdivisions 5 and 7.

~~(e)~~ (f) Payment for mental health case management provided by Indian health services or by agencies operated by Indian tribes may be made according to this section or other relevant federally approved rate setting methodology.

~~(f)~~ (g) Payment for mental health case management provided by vendors who contract with a county must be calculated in accordance with section 256B.076, subdivision 2. Payment for mental health case management provided by vendors who contract with a Tribe 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.

~~(g)~~ (h) If the service is provided by a team which includes contracted vendors, tribal staff, and county or state staff, the costs for county or state staff participation in the team shall be included in the rate for county-provided services. In this case, the contracted vendor, the tribal agency, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles of the team members.

~~(h)~~ (i) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for mental health 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 nonfederal share, if any, shall be provided by the recipient's tribe. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the recipient's county of responsibility.

~~(i)~~ (j) Notwithstanding any administrative rule to the contrary, prepaid medical assistance and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the nonfederal share is paid by the state and the county pays no share.

~~(j)~~ (k) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the ~~reporting or other~~ requirements of this section or section 245.4711, 245.4881, 256B.0924, 256B.094, or 256F.10. The county of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency, is responsible for any federal disallowances. The county or tribe may share this responsibility with its contracted vendors.

~~(k)~~ (l) The commissioner shall set aside a portion of the federal funds earned for county expenditures under this section to repay the special revenue maximization account under section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

(1) the costs of developing and implementing this section; and

(2) programming the information systems.

~~(l)~~ (m) Payments to counties and tribal agencies for case management expenditures under this section shall only be made from federal earnings from services provided under this section. When this service is paid by the state without a federal share through fee-for-service, 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors shall include the federal earnings, the state share, and the county share.

~~(m)~~ (n) Case management services under this subdivision do not include therapy, treatment, legal, or outreach services.

~~(n)~~ (o) 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 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 and may not exceed more than six months in a calendar year; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

~~(o)~~ (p) Payment for case management services under this subdivision shall not duplicate payments made under other program authorities for the same purpose.

~~(p)~~ (q) If the recipient is receiving care in a hospital, nursing facility, or residential setting licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week, mental health targeted case management services must actively support identification of community alternatives for the recipient and discharge planning.

(r) Counties may receive payment for up to 12 15-minute units for use at case initiation and case closing to facilitate the case management client's needs assessments, individualized plan development, referrals, or case documentation without needing to meet the contact requirements specified under sections 245.4711, 245.4881, 256B.0924, 256B.094, and 256F.10.

Sec. 15. Minnesota Statutes 2024, section 256B.076, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) It is the policy of this state to ensure that individuals on medical assistance receive cost-effective and coordinated care, including efforts to address the profound effects of housing instability, food insecurity, and other social determinants of health. Therefore, subject to federal approval, medical assistance covers targeted case management services as described in this section and sections 245.4711; 245.4881; 256B.0625, subdivisions 20 to 20b; 256B.0924; 256B.094; and 256F.10.

(b) The commissioner, in collaboration with Tribes, counties, providers, and individuals served, must propose further modifications to targeted case management services to ensure a program that complies with all federal requirements, delivers services in a cost-effective and efficient manner, creates uniform expectations for targeted case management services, addresses health disparities, and promotes person- and family-centered services.

(c) The commissioner may suspend, reduce, or terminate the reimbursement to a provider that does not meet the requirements of this section or section 245.4711; 245.4881; 256B.0625, subdivisions 20 and 20b; 256B.0924; 256B.094; or 256F.10. The county of financial responsibility, as determined under chapter 256G or, if applicable, the Tribal agency, is responsible for any federal disallowances. The county or Tribal agency may share the financial responsibility with the county's or Tribal agency's contracted vendors.

Sec. 16. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 5. **County-provided fee-for-service rate setting and reconciliation.** (a) Effective January 1 of the implementation year determined under subdivision 6, or upon federal approval, whichever is later, the commissioner must pay targeted case management services for which counties provide the nonfederal share of money and county staff provide the services on a fee-for-service basis according to the cost-based payment methodology in this subdivision and consistent with the federal regulations related to certified public expenditures. To receive federal reimbursement for these services, a county providing eligible forms of targeted case management services must complete a federally approved cost report in accordance with section 256.01, subdivision 2, paragraph (o).

(b) The commissioner must reimburse submitted claims based on an interim rate and must determine a final rate on a calendar-year basis following completion of a cost report reconciliation. The commissioner must notify counties of the final rate and post final rates publicly.

(c) A county has 60 days to appeal a final rate. To appeal a final rate, a county must submit a written appeal request to the commissioner within 60 days after the date the commissioner issued the final rate determination. The appeal request must specify (1) the disputed items, and (2) the name and address of the person to contact regarding the appeal.

(d) The payment methodology under this section must only be used to reimburse allowable Medicaid costs. The county of financial responsibility, as determined under chapter 256G, is responsible for any federal disallowances.

(e) Upon implementation, the commissioner must base interim rates on data from the testing period. The commissioner must base subsequent interim rates for a calendar year on the most recently completed reconciliation. The commissioner must notify counties of the interim rate by June 30 each year and post interim rates publicly. If the commissioner is unable to notify the counties by

June 30, the commissioner must notify each county in writing no later than June 30 that the new interim rate is delayed and must provide an estimate of when the new interim rate will be available.

(f) Payments to counties for case management expenditures under this section must be made only from federal earnings from services provided under this section.

(g) Counties must submit all claims for targeted case management services described in this section using a 15-minute unit.

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

Sec. 17. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 6. **Testing and implementation.** The commissioners of human services and children, youth, and families; the Association of Minnesota Counties (AMC); and the Minnesota Association of County Social Service Administrators (MACSSA) must collaborate to establish a joint governance agreement that must:

(1) establish system functionality requirements to (i) meet the business needs of local agencies providing targeted case management services and (ii) comply with applicable state and federal regulations for the Social Services Information System (SSIS), SSIS's replacement, and adjacent systems and the targeted case management cost report under subdivision 5;

(2) establish a schedule for transition planning, including but not limited to fiscal impact assessment and training; and

(3) specify that the rate method established in subdivision 5 must not be implemented without both the completion of a required testing period of 12 calendar months and the express approval by the commissioners of human services and children, youth, and families; AMC; and MACSSA.

Sec. 18. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 7. **Managed care plan units and rates for mental health targeted case management.** The commissioner must ensure that the prepaid health plans providing covered health services for eligible persons pursuant to this chapter and section 256L.03, subdivisions 1a and 1b, reimburse counties at a rate that is at least equal to the fee-for-service rate described in subdivision 5 for targeted case management services provided to Minnesota health care program (MHCP) health plan enrollees covered by medical assistance. If, for any contract year, federal approval is not received for this subdivision, 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 subdivision. Contracts between managed care plans and county-based purchasing plans and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this subdivision. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time. This subdivision does not obligate MHCP health plans to contract with counties for the provision of targeted case management services.

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

Sec. 19. Minnesota Statutes 2024, section 256B.076, is amended by adding a subdivision to read:

Subd. 8. **Targeted case management gap funding.** (a) For purposes of this subdivision, "unacceptable loss" means when a county's finalized amount of targeted case management federal reimbursement following the commissioner's reconciliation for a calendar year for targeted case management under subdivision 5 is less than 90 percent of the average federal reimbursement received by that county during the base calendar years determined in paragraph (c).

(b) The commissioner must pay targeted case management gap funding in the amount and time frame specified in paragraph (c) to an individual county for calendar years in which the county experiences an unacceptable loss.

(c) The base calendar years are the three calendar years immediately before the testing period of 12 calendar months determined under subdivision 6. In consultation with the county that experienced the unacceptable loss, the commissioner must make appropriate adjustments to base year amounts as needed to prevent the base amounts from being unduly influenced by onetime events, anomalies, or small changes that appear large compared to a narrow historical base. The commissioner must not make adjustments to the eight county human services agencies that received the greatest amount of targeted case management federal reimbursement during the base calendar years. For agencies other than the eight county human services agencies that received the greatest amount, the total of all adjustments for a given calendar year must not exceed two percent of statewide federal targeted case management federal reimbursement that calendar year.

(d) The commissioner must pay targeted case management gap funding to the applicable county in an amount equaling the difference between the finalized amount of targeted case management federal reimbursement after reconciliation for that calendar year and 90 percent of the average federal reimbursement received by that county during the base calendar years, including any adjustments under paragraph (c). The commissioner must pay the county within 90 days of completing the reconciliation under subdivision 5.

(e) Targeted case management gap funding is a forecasted program under section 16A.11.

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

Sec. 20. 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~~ meet the contact ~~either in person or~~ requirements under section 256B.094, subdivision 6. Contact by interactive video ~~that meets~~ must meet the requirements in section 256B.0625, subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver, or other relevant ~~persons~~ person 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~~ must 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~~ established in section 256B.076, subdivisions 5 and 7. 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. 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, except to reimburse the county for advance funding provided by the county to the vendor.

(d) If the service is provided by a team that includes contracted vendors and county 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 may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, the county 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.

(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.

(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, 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 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 payments for the cost of case management services provided by county staff shall not be made to the commissioner of management and budget. For the purposes of targeted case management services provided by county staff under this section, the centralized disbursement of payments to counties 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.

(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.

Sec. 21. Minnesota Statutes 2024, section 256B.094, subdivision 2, is amended to read:

Subd. 2. **Eligible services.** Services eligible for medical assistance reimbursement include:

(1) assessment of the recipient's need for case management services to gain access to available medical, social, educational, economic support, and other related services;

(2) development, completion, and regular review of a written individual service plan based on the assessment of need for case management services to ensure access to available medical, social, educational, economic support, and other related services;

(3) routine contact or other communication with the client, the client's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan, regarding the status of the client, the individual service plan, or the goals for the client, exclusive of transportation of the child;

(4) coordinating referrals for, and the provision of, case management services for the client with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;

(5) coordinating and monitoring the overall service delivery to ensure quality of services;

(6) monitoring and evaluating services on a regular basis to ensure appropriateness and continued need based on the child's and family's or caregiver's current circumstances;

(7) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;

(8) traveling to conduct a visit with the client or other relevant person necessary to the development or implementation of the goals of the individual service plan; and

(9) coordinating with the medical assistance facility discharge planner in the 30-day period before the client's discharge into the community. This case management service provided to patients or residents in a medical assistance facility is limited to a maximum of two 30-day periods per calendar year.

Sec. 22. Minnesota Statutes 2024, section 256B.094, subdivision 3, is amended to read:

Subd. 3. **Coordination and provision of services.** (a) In a county or reservation where a ~~prepaid medical assistance provider~~ managed care organization (MCO) or county-based purchasing (CBP) plan has contracted under section 256B.69 to provide medical and mental health services, the case management provider shall coordinate with the ~~prepaid provider~~ MCO or CBP plan to ensure that all necessary medical and mental health services required under the contract are provided to recipients of case management services.

~~(b) When the case management provider determines that a prepaid provider is not providing mental health services as required under the contract, the case management provider shall assist the recipient to appeal the prepaid provider's denial pursuant to section 256.045, and may make other arrangements for provision of the covered services.~~

~~(c) The case management provider may bill the provider of prepaid health care services for any mental health services provided to a recipient of case management services which the county or tribal social services arranges for or provides and which are included in the prepaid provider's contract, and which were determined to be medically necessary as a result of an appeal pursuant to section 256.045. The prepaid provider must reimburse the mental health provider, at the prepaid provider's standard rate for that service, for any services delivered under this subdivision.~~

(b) Child welfare targeted case management is carved out of Minnesota health care programs managed care contracts. The case management provider must assist the recipient to ensure access to all medically necessary services listed in section 256B.0625, whether delivered on a fee-for-service basis or by a MCO or CBP plan.

~~(d)~~ (c) If the county or Tribal social services has not obtained prior authorization for this service, or an appeal results in a determination that the services were not medically necessary, the county or Tribal social services may not seek reimbursement from the prepaid provider.

Sec. 23. Minnesota Statutes 2024, section 256B.094, subdivision 6, is amended to read:

Subd. 6. **Medical assistance reimbursement of case management services.** (a) Medical assistance reimbursement for services under this section ~~shall~~ must be made ~~on a monthly basis~~ in accordance with section 256B.076. Payment is based on face-to-face contacts either in person or by interactive video, or telephone contacts between the case manager and the client, client's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client. These contacts must meet the following requirements:

(1) there must be a face-to-face contact either in person or by interactive video that meets the requirements of section 256B.0625, subdivision 20b, at least once a month except as provided in clause (2); and

(2) for a client placed outside of the county of financial responsibility, or a client served by Tribal social services placed outside the reservation, in an excluded time facility under section 256G.02, subdivision 6, or through the Interstate Compact for the Placement of Children, section 260.93, and the placement in either case is more than 60 miles beyond the county or reservation

boundaries, there must be at least one contact per month and not more than two consecutive months without a face-to-face, in-person contact.

~~(b) Except as provided under paragraph (c), the payment rate is established using time study data on activities of provider service staff and reports required under sections 245.482 and 256.01, subdivision 2, paragraph (o).~~

~~(c)~~ (b) Payments for Tribes may be made according to section 256B.0625 or other relevant federally approved rate setting methodology for child welfare targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

~~(d)~~ (c) Payment for case management provided by county contracted vendors must be calculated in accordance with section 256B.076, subdivision 2. Payment for case management provided by vendors who contract with a Tribe 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 Tribal social services, except to reimburse the county or Tribal social services for advance funding provided by the county or Tribal social services to the vendor.

~~(e)~~ (d) If the service is provided by a team that includes contracted vendors and county or Tribal social services staff, the costs for county or Tribal social services staff participation in the team shall be included in the rate for county or Tribal social services provided services. In this case, the contracted vendor and the county or Tribal social services may each receive separate payment for services provided by each entity in the same month. To prevent duplication of services, each entity must document, in the recipient's file, the need for team case management and a description of the roles and services of the team members.

~~Separate payment rates may be established for different groups of providers to maximize reimbursement as determined by the commissioner. The payment rate will be reviewed annually and revised periodically to be consistent with the most recent time study and other data. Payment for services will be made upon submission of a valid claim and verification of proper documentation described in subdivision 7. Federal administrative revenue earned through the time study, or under paragraph (c), shall be distributed according to earnings, to counties, reservations, or groups of counties or reservations which have the same payment rate under this subdivision, and to the group of counties or reservations which are not certified providers under section 256F.10. The commissioner shall modify the requirements set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.~~

Sec. 24. Minnesota Statutes 2024, section 256B.094, subdivision 7, is amended to read:

Subd. 7. **~~Documentation for case record and claim~~ Service provision requirements.** (a) The assessment, case finding, and individual service plan shall be maintained in the individual case record under the Data Practices Act, chapter 13.

(b) Payment is based on face-to-face contacts either in person or by interactive video, or telephone contacts between the case manager and the client; the client's family, primary caregiver, or legal representative; or other relevant person identified as necessary to the development or implementation

of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client. Contacts must meet the following requirements:

(1) in accordance with section 260C.212, subdivision 4a, and United States Code, title 42, section 622(b)(17), there must be a face-to-face contact either in person or by interactive video that meets the requirements under section 256B.0625, subdivision 20b, at least once a month, except as provided under clause (2); and

(2) for a client placed outside of the county of financial responsibility or a client served by Tribal social services placed outside the reservation in an excluded time facility under section 256G.02, subdivision 6, or according to the Interstate Compact for the Placement of Children under section 260.93, and the placement in either case is more than 60 miles beyond the county or reservation boundaries, there must be at least one contact per month and not more than two consecutive months without a face-to-face, in-person contact.

(c) The individual service plan must be reviewed at least annually and updated as necessary. Each individual case record must maintain documentation of routine, ongoing, contacts and services. Each claim must be supported by written documentation in the individual case record.

~~(b)~~ (d) Each claim must include:

(1) the name of the recipient;

(2) the date of the service;

(3) the name of the provider agency and the person providing service;

(4) the nature and extent of services; and

(5) the place of the services.

Sec. 25. Minnesota Statutes 2024, section 256L.04, subdivision 14, is amended to read:

Subd. 14. **Coordination with medical assistance.** (a) Individuals eligible for medical assistance under chapter 256B are not eligible for MinnesotaCare under this section.

(b) The commissioner shall coordinate eligibility and coverage to ensure that individuals transitioning between medical assistance and MinnesotaCare have seamless eligibility and access to health care services.

(c) Individuals denied or disenrolled from medical assistance for failure to comply with the eligibility requirements under section 256B.0562 are not eligible for MinnesotaCare.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 26. Minnesota Statutes 2024, section 295.52, subdivision 8, is amended to read:

Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning in 2011, the commissioner of management and budget shall determine the projected balance in the health care access fund for the biennium.

(b) If the commissioner of management and budget determines that the projected balance in the health care access fund for the biennium reflects a ratio of revenues to expenditures and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate, as determined by the commissioner of management and budget, the commissioner, in consultation with the ~~commissioner~~ commissioners of revenue and human services, shall reduce the tax rates levied under subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the structural balance in the fund. The rate may be reduced to the extent that the projected revenues for the biennium do not exceed 125 percent of expenditures and transfers. The new rate shall be rounded to the nearest one-tenth of one percent. The rate reduction under this paragraph expires at the end of each calendar year and is subject to an annual redetermination by the commissioner of management and budget.

(c) For purposes of the analysis defined in paragraph (b), the commissioner of management and budget shall include projected revenues.

ARTICLE 4

PROVIDER BRIDGE REIMBURSEMENTS

Section 1. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13l. **Bridge directed pharmacy dispensing payment.** (a) The commissioner shall provide a directed pharmacy dispensing payment of $2.25 per filled prescription to eligible outpatient retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services in rural and underserved areas of the state. The directed pharmacy dispensing payment is in addition to any other dispensing fee paid by the commissioner to the pharmacy. Filled prescriptions eligible for a directed pharmacy dispensing payment under this subdivision include all prescriptions covered under medical assistance, including fee-for-service and managed care medical assistance.

(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 13 or fewer Minnesota pharmacies.

(c) In order to receive the directed pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements under paragraph (b).

(d) The commissioner shall set and adjust the amount of the directed pharmacy dispensing payment to reflect the available state funding.

(e) The commissioner shall pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies for eligible pharmacy claims from July 1, 2025, through June 30, 2026, by October

1, 2026. The commissioner must pay a second payment for eligible claims from July 1, 2026, through December 31, 2026, by April 1, 2027.

(f) This subdivision expires on the effective date of Laws 2025, First Special Session chapter 3, article 4, section 8.

Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage for prescription drugs from the prepaid managed care contracts entered into under this section in order to increase savings to the state by collecting additional prescription drug rebates.

(b) The contracts must maintain incentives for the managed care plan to manage drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. The contracts must require that the managed care plans enter into contracts with the state's selected pharmacy benefit manager vendor to administer the pharmacy benefit.

(c) This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates.

(d) The commissioner must require that, after taking into account any and all transaction fees, data fees, reimbursement reconciliations, effective rate applications, direct or indirect remuneration fees, or other similar constructs, the final reimbursement to a pharmacy from managed care and county-based purchasing plans and any pharmacy benefit managers under contract with these entities be equal to a dispensing fee of $11.55 per claim for prescriptions filled with drugs meeting the definition of covered outpatient drugs. The commissioner must require the payment of a dispensing fee of $3.65 for drugs not meeting the definition of covered outpatient drug.

(e) In addition to the dispensing fee set forth in paragraph (d), the commissioner must require that, after taking into account any and all transaction fees, data fees, reimbursement reconciliations, effective rate applications, direct or indirect remuneration fees, or other similar constructs, the final reimbursement to a pharmacy from managed care and county-based purchasing plans and any pharmacy benefit managers under contract with these entities be equal to the ingredient cost for a drug as either:

(1) the lower of the National Average Drug Acquisition Cost (NADAC) or the Minnesota actual acquisition cost (MNAAC) under section 256B.0625, subdivision 13, paragraph (g);

(2) the maximum allowable cost, if a drug ingredient cost is unreported in the NADAC and the MNAAC; or

(3) the wholesale acquisition cost minus two percent, if a drug ingredient cost is unreported in the NADAC and the MNAAC and a maximum allowable cost is unavailable.

(f) The commissioner must monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of the state. If, for any contract year, federal approval is not

received for paragraphs (d) and (e), the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of paragraphs (d) and (e). A contract between a managed care plan or county-based purchasing plan, or any pharmacy benefit manager under contract with one of those entities, and a provider to whom paragraphs (d) and (e) apply 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 paragraphs (d) and (e). This subdivision expires if federal approval is not received for paragraphs (d) and (e) at any time.

(g) Paragraphs (d) to (g) expire upon the effective date of a master contract under section 256B.696. The commissioner shall notify the revisor of statutes of the effective date.

Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.761, is amended by adding a subdivision to read:

Subd. 5. **Psychological testing and assessment rates.** (a) Effective for services rendered on or after January 1, 2027, or on or after the date of federal approval, whichever is later, and notwithstanding other rate increases or decreases, the commissioner must pay 100 percent of the total published Medicare payment rate, as defined in Code of Federal Regulations, title 42, section 438.6, for the following services:

(1) neuropsychological assessments under section 256B.0671, subdivision 8;

(2) neuropsychological testing under section 256B.0671, subdivision 9; and

(3) psychological testing under section 256B.0671, subdivision 10.

(b) Managed care and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate adjustment on enrollee access to mental health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care 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 paragraph.

(c) This subdivision expires on the effective date of Laws 2025, First Special Session chapter 3, article 8, section 29.

Sec. 4. **REPEALER.**

Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

ARTICLE 5

CHILDREN, YOUTH, AND FAMILIES

Section 1. Minnesota Statutes 2025 Supplement, section 142A.03, subdivision 2, is amended to read:

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

(b) Pursuant to law, the commissioner may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the commissioner.

(c) The commissioner may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) centering and including the lived experiences of children and youth, including those with disabilities and mental illness and their families, in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 and higher education systems; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

(e) The commissioner ~~shall~~ must administer and supervise the forms of public assistance and other activities or services that are vested in the commissioner. Administration and supervision of activities or services includes but is not limited to assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising activities vested by law in the department, the commissioner has the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing the programs and activities administered by the commissioner;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of activities and programs; enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services; and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 142A.10;

(6) make contracts with and grants to public and private agencies and organizations, both for-profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner ~~shall~~ must consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner ~~shall~~ must work in conjunction with the commissioner of human services to carry out the duties of this paragraph when necessary and feasible.

(f) The commissioner ~~shall~~ must inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs and activities administered by the commissioner.

(g) The commissioner ~~shall~~ must administer and supervise child welfare activities, including promoting the enforcement of laws preventing child maltreatment and protecting children with a disability and children who are in need of protection or services, licensing and supervising child care and child-placing agencies, and supervising the care of children in foster care. The commissioner ~~shall~~ must coordinate with the commissioner of human services on activities impacting children overseen by the Department of Human Services, such as disability services, behavioral health, and substance use disorder treatment.

(h) The commissioner ~~shall~~ must assist and cooperate with local, state, and federal departments, agencies, and institutions.

(i) The commissioner ~~shall~~ must establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(j) The commissioner ~~shall~~ must act as designated guardian of children pursuant to chapter 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide adoption services. For children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal code, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide permanency services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or Tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, Tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child ~~shall~~ must remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(k) The commissioner has the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public benefits. To carry out the experimental projects, the commissioner may waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. ~~No project~~ Projects under this paragraph ~~shall~~ must not exceed four years. No order establishing an experimental project as authorized by this paragraph is effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, has been approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) The commissioner ~~shall~~ must, according to federal requirements and in coordination with the commissioner of human services, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) The commissioner ~~shall allocate~~ must bear the total amount of any federal fiscal disallowances or sanctions that are based on quality control error rates for ~~the aid to families with dependent children (AFDC) program formerly codified in sections 256.72 to 256.87 or~~ the Supplemental Nutrition Assistance Program (SNAP) ~~in the following manner:~~

~~(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction~~

~~being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties~~, except if the federal fiscal disallowance or sanction results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties an amount equal to the portion of the total disallowance or sanction that resulted from the noncompliance. Each county ~~shall~~ responsible for knowing noncompliance must pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due~~; and~~

~~(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1)~~.

(n) The commissioner ~~shall~~ must develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph ~~shall~~ must be deposited in the state treasury and credited to a special account until the balance in the account reaches $1,000,000. When the balance in the account exceeds $1,000,000, the excess ~~shall~~ must be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) The commissioner has the authority to establish and enforce the following county reporting requirements:

(1) the commissioner ~~shall~~ must establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for programs administered by the commissioner. When establishing financial and statistical reporting requirements, the commissioner ~~shall~~ must evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board ~~shall~~ must submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. The commissioner must only accept reports that are complete, legible, and in the required format ~~shall be accepted by the commissioner~~;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting

period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner ~~shall~~ must withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner ~~shall~~ must notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) ~~shall~~ must not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) The commissioner ~~shall~~ must allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner ~~shall~~ must cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner ~~shall~~ must require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner ~~shall~~ must develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner ~~shall~~ must authorize the method of payment to or from the department as part of the programs administered by the department. This authorization includes the receipt or

disbursement of funds held by the department in a fiduciary capacity as part of the programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner ~~shall~~ must create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner ~~shall~~ must cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner ~~shall~~ must make a biennial report to the governor concerning the activities of the agency.

(x) The commissioner ~~shall~~ must enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

(y) The commissioner may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out of the state, in order that the child may continue to receive MFIP or equivalent aid from the state moved from until the child has resided for one year in the state moved to.

(z) The commissioner ~~shall~~ must provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment program, the Minnesota family investment plan, family general assistance, or SNAP benefits whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The commissioner must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

(aa) The commissioner ~~shall~~ must have the power and authority to accept on behalf of the state contributions and gifts for the use and benefit of children under the guardianship or custody of the commissioner. The commissioner may also receive and accept on behalf of such children money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions, and benefits under this paragraph must be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

(bb) The specific enumeration of powers and duties in this section must not be construed to be a limitation upon the general powers granted to the commissioner.

Sec. 2. **[142D.095] PRESCHOOL ASSESSMENT.**

(a) For programs serving children under section 142D.08, the commissioner of children, youth, and families must implement a preschool assessment of children's development in the year prior to kindergarten entry that is:

(1) aligned to the state early childhood indicators of progress and based on the criteria for an early learning assessment approved by the commissioner; and

(2) based, in part, on information collected from teachers, early learning professionals, families, and other partners.

(b) The commissioner must evaluate and approve assessment tools that meet the requirements in paragraph (a). School districts and charter schools operating a program under section 142D.08 must choose an assessment tool approved under this paragraph.

(c) The commissioner may provide technical assistance and professional development related to the assessment to educators, school districts, and charter schools.

Sec. 3. Minnesota Statutes 2024, section 142D.21, subdivision 3, is amended to read:

Subd. 3. **Requirements.** (a) As a condition of payment under this section, a program must:

(1) complete an application developed by the commissioner for each payment period for which the program applies for funding. For full-time equivalent staff who regularly care for children in the program, the application must allow required paid break time to count as qualifying hours toward a program's reporting of eligible full-time equivalent staff;

(2) submit data on child enrollment and attendance to the commissioner in the form and manner specified by the commissioner; and

(3) attest and agree in writing that the program was open and operating and served a minimum number of children, as determined by the commissioner, during the funding period, with the exceptions of:

(i) service disruptions that are necessary to protect the safety and health of children and child care programs based on public health guidance issued by the Centers for Disease Control and Prevention, the commissioner of health, the commissioner of children, youth, and families, or a local public health agency; and

(ii) planned temporary closures for provider vacation and holidays during each payment period. The commissioner must establish the maximum allowed duration for vacations and holidays.

(b) A program must expend money received under this section no later than six months after the date the payment was received.

(c) A program that receives a payment under this section must comply with all requirements listed in the application. The commissioner must establish methods to determine that the application requirements have been met.

Sec. 4. Minnesota Statutes 2024, section 142F.05, is amended by adding a subdivision to read:

Subd. 5. **State share of SNAP benefit costs.** The commissioner of children, youth, and families must pay the state share of SNAP benefit costs as determined by the United States Department of Agriculture to meet the state cost share requirements under United States Code, title 7, section 2013(a)(2)(B).

Sec. 5. Minnesota Statutes 2024, section 142F.05, is amended by adding a subdivision to read:

Subd. 6. **County administrative cost share limitation.** (a) A county agency must not contribute more than 50 percent of the total administrative costs of SNAP. The commissioner must reimburse each county agency for the difference between the federal reimbursement of administrative costs and the county administrative cost share under this subdivision.

(b) SNAP administrative costs eligible for reimbursement under this subdivision are administrative costs as defined by United States Code, title 7, section 2025(a).

Sec. 6. Minnesota Statutes 2024, section 256.017, subdivision 2, is amended to read:

Subd. 2. **Definitions.** The following terms have the meanings given for purposes of this section.

(a) "Administrative penalty" means an adjustment against the county agency's state and federal benefit and federal administrative reimbursement when the commissioner determines that the county agency is not in compliance with the policies and procedures established by the commissioner.

(b) "Commissioner" means the commissioner of human services for programs listed in subdivision 1, paragraph ~~(b)~~ (a), and the commissioner of children, youth, and families for programs listed in subdivision 1, paragraph ~~(c)~~ (b).

(c) "Quality control case penalty" means an adjustment against the county agency's federal administrative reimbursement and state and federal benefit reimbursement when the commissioner determines through a quality control review that the county agency has made incorrect payments, terminations, or denials of benefits as determined by state quality control procedures for the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program, SNAP, or medical assistance programs, or any other programs for which the commissioner has developed a quality control system. Quality control case penalties apply only to agency errors as defined by state quality control procedures.

(d) "Quality control/quality assurance" means a review system of a statewide random sample of cases, designed to provide data on program outcomes and the accuracy with which state and federal policies are being applied in issuing benefits and as a fiscal audit to ensure the accuracy of expenditures. The quality control/quality assurance system is administered by the department. For the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, SNAP, and medical assistance, the quality control system is that required by federal regulation, or those developed by the commissioner.

Sec. 7. **PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations and Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to cultural, religious, and dietary needs. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant money under this section.

Subd. 3. **Application.** Applicants for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant money.** Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process for determining eligible grantees under this section.

(b) When awarding grants under this section, the commissioner must prioritize applicants that:

(1) have demonstrated the ability to provide prepared meals to racially, ethnically, and geographically diverse populations at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

(3) have a demonstrated history of sourcing at least 50 percent of the prepared meal ingredients from:

(i) Minnesota food producers and processors; or

(ii) food that is donated or would otherwise be waste.

(c) The commissioner must consider geographic distribution to ensure statewide coverage when awarding grants and minimize the number of grantees to simplify administrative burdens and costs.

Subd. 6. **Reporting.** (a) Grantees must retain records documenting expenditure of the money and comply with any additional documentation requirements imposed by the commissioner.

(b) Grantees must report on the use of grant money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

(c) If the commissioner determines that ineligible expenditures were made by a grantee under this section, the ineligible amount must be repaid by the grantee to the commissioner and deposited in the general fund.

Sec. 8. **REGIONAL FOOD BANK GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish regional food bank grants to increase the availability of food to individuals and families in need.

Subd. 2. **Distribution of appropriation.** The commissioner must distribute money appropriated under this section to regional food banks and Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, using a formula based on the number of persons in households having incomes below the federal poverty level and the number of unemployed persons in the service area of the food bank or Minnesota Tribal government.

Subd. 3. **Allowable use of money.** (a) Grant money distributed under this section must be used to purchase, transport, and coordinate the distribution of food to sites approved by the commissioner. Grant money distributed under this section may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper.

(b) Food and other allowable products purchased with grant money under this section must be available at no cost at sites approved by the commissioner.

(c) Grant money distributed under this section must not be used for the compensation of officers, directors, trustees, key employees, and highest compensated employees as reported on Internal Revenue Service Form 990.

Subd. 4. **Reporting.** (a) Food banks and Minnesota Tribal governments receiving grant money under this section must retain records documenting expenditures of the grant money and comply with any additional documentation requirements imposed by the commissioner.

(b) Food banks and Minnesota Tribal governments must report on the use of grant money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

Subd. 5. **Ineligible expenditures.** If the commissioner determines that ineligible expenditures were made by a food bank or Minnesota Tribal government under this section, the ineligible amount must be repaid by the food bank or Tribal government to the commissioner and deposited in the general fund.

ARTICLE 6

CHILD CARE CENTER LICENSING MODERNIZATION

Section 1. **[142H.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms in this section have the meanings given.

Subd. 2. **Accessible to children.** "Accessible to children" means capable of being reached or utilized by a child without the aid of an adult.

Subd. 3. **Accredited.** "Accredited" means a postsecondary institution or technical college recognized and listed in The Database of Accredited Postsecondary Institutions and Programs maintained by the United States Department of Education.

Subd. 4. **Age categories.** (a) "Infant" means a child who is at least six weeks old but less than 16 months old.

(b) "Toddler" means a child who is at least 16 months old but less than 33 months old.

(c) "Preschooler" means a child who is at least 33 months old up to school age.

(d) "School age" means a child who is at least of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months, but is younger than 13 years of age. A child who becomes 13 during the school year may continue to be considered a school-age child for the remainder of the school year.

Subd. 5. **Applicant.** "Applicant" has the meaning given in section 142B.01, subdivision 4.

Subd. 6. **Arrival and departure times.** "Arrival and departure times" means the times when children typically arrive at or depart from a center. A center cannot designate more than 25 percent of licensed hours of operation as arrival and departure times. The designated arrival and departure times must be used at the beginning or end of a center's licensed hours of operation.

Subd. 7. **Building official.** "Building official" means the person appointed pursuant to section 326B.133 to administer the State Building Code or the building official's authorized representative.

Subd. 8. **Center.** "Center" means a child care program that is not excluded by section 142B.05, subdivision 2, and is not a family child care program, as defined in section 142I.01, subdivision 22.

Subd. 9. **Child.** "Child" means a person receiving child care services who falls within the age categories in subdivision 4.

Subd. 10. **Child care program.** "Child care program" means the organization or arrangement of activities, personnel, materials, and equipment in a facility to promote the physical, intellectual, social, and emotional development of a child in the absence of the parent for a period of less than 24 hours a day.

Subd. 11. **Child care program plan.** "Child care program plan" means the written document that states specific activities that will be provided by the license holder to promote the physical, intellectual, social, and emotional development of the children enrolled in the center.

Subd. 12. **Clean.** "Clean" means free from dirt or other contaminants that can be detected by sight, smell, or touch.

Subd. 13. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Subd. 14. **Day program.** "Day program" means a nonresidential child care program that operates during waking hours and does not provide overnight care.

Subd. 15. **Department.** "Department" means the Department of Children, Youth, and Families.

Subd. 16. **Direct contact.** "Direct contact" has the meaning given in section 245C.02, subdivision 11.

Subd. 17. **Disinfected.** "Disinfected" means the chemical process to kill most germs and viruses on surfaces and objects after they have been cleaned.

Subd. 18. **Drop-in child care program.** "Drop-in child care program" means a nonresidential program of child care in which children participate on a onetime only or occasional basis up to a maximum of 90 hours per child, per month.

Subd. 19. **Experience.** "Experience" means paid or unpaid employment:

(1) caring for children as a teacher, assistant teacher, aide, or student intern:

(i) in a licensed child care center, a licensed family child care program, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(2) caring for children as a staff person or unsupervised volunteer in a certified license-exempt child care center under chapter 142C; or

(3) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

Subd. 20. **Facility.** "Facility" means the indoor and outdoor space where a child care program is provided.

Subd. 21. **Fire marshal.** "Fire marshal" means the person designated by section 299F.011 to administer and enforce the State Fire Code or the fire marshal's authorized representative.

Subd. 22. **Health care provider.** "Health care provider" means a physician or physician's assistant licensed to practice medicine under chapter 147 or an advanced practice registered nurse licensed under chapter 148.

Subd. 23. **Health consultant.** "Health consultant" means a registered nurse, a public health nurse, or a health care provider as defined in subdivision 22 who performs health consultation services for a child care center pursuant to section 142H.29, subdivision 2.

Subd. 24. **Inaccessible to children.** "Inaccessible to children" means not capable of being reached or utilized by a child without the aid of an adult.

Subd. 25. **License.** "License" has the meaning given in section 142B.01, subdivision 16.

Subd. 26. **License holder.** "License holder" has the meaning given in section 142B.01, subdivision 17.

Subd. 27. **Licensed capacity.** "Licensed capacity" means the maximum number of children permitted at any one time in the program for which the license holder is licensed to operate.

Subd. 28. **Medication.** "Medication" means any substance or preparation that is used to prevent or treat a wound, injury, infection, and disease; maintain health; heal; or relieve pain. This includes medication that is over the counter, or prescribed by a physician, physician assistant, dentist, or

advance practice registered nurse certified to prescribe medication, and permitted by the parent for administration or application. This term applies to medication taken internally or applied externally.

Subd. 29. **Night care program.** "Night care program" means a nonresidential child care program that provides overnight care to children during sleeping hours, approximately 11:00 p.m. to 5:00 a.m. Night care programs are subject to the requirements in section 142H.16.

Subd. 30. **Parent.** "Parent" means the person or persons who has the legal responsibility for a child such as the child's mother, father, or legally appointed guardian.

Subd. 31. **Program staff person.** "Program staff person" means an employee of the child care center who carries out the child care program plan and has direct contact with children. This includes unsupervised volunteers and substitutes.

Subd. 32. **Sick care program.** "Sick care program" means a nonresidential child care program that exclusively cares for sick children. Sick care programs are subject to the requirements in section 142H.19.

Subd. 33. **Staff supervision.** "Staff supervision" means responsibility to hire, train, assign duties, and direct staff in day-to-day activities and evaluate staff performance. A "supervisor" is a person with staff supervision responsibility.

Subd. 34. **State Building Code.** "State Building Code" means the codes and regulations adopted by the commissioner of the administration according to section 326B.101, and contained in Minnesota Rules, chapter 1300.

Subd. 35. **State Fire Code.** "State Fire Code" means the codes and regulations adopted by the state fire marshal pursuant to section 299F.011, and contained in Minnesota Rules, chapter 7511.

Subd. 36. **Student intern.** "Student intern" means a student of a postsecondary institution assigned by that institution for a supervised experience with children. The experience must be in a licensed center, an elementary school operated by the commissioner of education or a legally constituted local school board, or a private school approved under rules administered by the commissioner of education. Student intern includes a person who is practice teaching, student teaching, or carrying out a practicum or internship.

Subd. 37. **Substitute.** "Substitute" means a person who is temporarily filling a position as a director, teacher, assistant teacher, or aide in a licensed child care center for less than 500 hours total in a calendar year due to the absence of a regularly employed program staff person.

Subd. 38. **Supervision of children.** "Supervision of children" means when a program staff person:

(1) is accountable for the child's care;

(2) is able to intervene to protect the health and safety of the child; and

(3) is within sight and hearing of the child at all times, except as described in section 142H.24, subdivision 1.

Subd. 39. **Variance.** "Variance" means written permission by the commissioner for a license holder or applicant to depart from the provisions of a requirement in this chapter pursuant to section 142B.10, subdivision 16.

Subd. 40. **Volunteer.** (a) "Volunteer" means an individual who assists in the care of a child and is not employed by the child care center.

(b) "Supervised volunteer" means a volunteer who may only have direct contact with children when a program staff person is able to intervene to protect the health and safety of children.

(c) "Unsupervised volunteer" means a volunteer who may have direct contact with children without a program staff person present, must receive the training required under section 142H.08, and may be counted in the staff-to-child ratios under section 142H.10.

Sec. 2. **[142H.02] APPLICABILITY AND LICENSING PROCESS.**

(a) No child care center may operate in Minnesota without a license pursuant to this chapter and chapter 142B. An applicant for a license and the license holder is governed by, and must comply with, the general requirements in this chapter and chapters 142B, 245C, and 260E.

(b) The department may grant variances to the requirements in this chapter if the conditions in section 142B.10, subdivision 16, are met.

Sec. 3. **[142H.03] OPERATING OPTIONS.**

A license holder must operate a day program, drop-in child care program, night care program, sick child care program, or a combination of two or more kinds of programs.

Sec. 4. **[142H.04] POLICIES AND PROCEDURES FOR PROGRAM ADMINISTRATION.**

(a) The license holder must maintain and enforce program policies and procedures necessary to comply with licensing requirements under Minnesota Statutes and Minnesota Rules.

(b) The license holder must:

(1) provide training to employees and volunteers related to their duties in implementing the program's policies and procedures developed under paragraph (a);

(2) document the provision of this training; and

(3) monitor implementation of policies and procedures by employees and volunteers.

(c) The license holder must keep program policies and procedures readily accessible to employees and volunteers and index the policies and procedures with a table of contents or another method approved by the commissioner.

Sec. 5. **[142H.05] DIRECTORS.**

Subdivision 1. **General requirements for a director.** (a) A center must have a director who is responsible for overseeing implementation of written policies relating to the management and control

of the daily activities of the program, ensuring the health and safety of program participants, and supervising staff and volunteers.

(b) A director must:

(1) be at least 21 years old;

(2) be a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test pursuant to section 124D.549;

(3) have at least 1,040 hours of paid or unpaid staff supervision experience; and

(4) have at least 12 semester credits in accredited coursework in postsecondary child development education, supervision, management, administration, or leadership or 120 hours of training earned in the topics of child development, supervision, management, administration, or leadership.

(c) Paragraph (b), clauses (3) and (4), are satisfied if an individual has completed a Minnesota Association for the Education of Young Children early childhood director's credential; Child Care Aware Minnesota director's credential; Montessori administrator credential; or diploma issued by the American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education.

Subd. 2. **Director or designee on site.** (a) The director or a designee must be on site while the center is in operation.

(b) Any program staff person who is at least 18 years old may serve as the designee. The designee does not have to meet the director qualifications in subdivision 1 but must be aware of the designation and be able to perform the responsibilities.

Subd. 3. **Director functioning as a teacher.** Notwithstanding section 142H.06, a director may be used as a teacher in any classroom as needed.

Subd. 4. **Incumbent director recognition.** Notwithstanding subdivision 1, an individual who is designated as the director of a licensed child care center on July 1, 2027, meets the director qualification requirements of this section as long as the individual continues to work at the program.

Sec. 6. **[142H.06] TEACHERS.**

Subdivision 1. **Teacher general qualifications.** A teacher must:

(1) be at least 18 years old; and

(2) be a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test pursuant to section 124D.549.

Subd. 2. **Teacher education and experience requirements.** In addition to the general requirements in subdivision 1, a teacher must have at least one of:

(1) 12 postsecondary semester credits and 480 hours of experience;

(2) 100 hours of commissioner-approved training within the previous five years and 480 hours of experience. After initial qualification, a teacher qualified under this clause must fulfill at least 50 percent of in-service training requirements under section 142H.09, subdivision 10, with commissioner-approved trainings;

(3) a credential or diploma from the American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education;

(4) an accredited certificate in child development or early childhood education from a postsecondary institution;

(5) an accredited diploma, associate's degree, or bachelor's degree in child development or early childhood education from a postsecondary institution; or

(6) a Child Development Associate (CDA) credential;

Sec. 7. **[142H.07] ASSISTANT TEACHERS.**

Subdivision 1. **Assistant teacher general qualifications.** An assistant teacher must work under the supervision of a teacher and be:

(1) at least 18 years old; and

(2) a graduate of a high school or hold an equivalent diploma attained through successful completion of the commissioner of education-selected high school equivalency test.

Subd. 2. **Assistant teacher education and experience requirements.** In addition to the general requirements in subdivision 1, an assistant teacher must have at least one of:

(1) at least six postsecondary semester credits;

(2) at least 50 hours of commissioner-approved training within the previous five years. After initial qualification, an assistant teacher qualified under this clause must fulfill at least 50 percent of in-service training requirements under section 142H.09, subdivision 10, with commissioner-approved trainings; or

(3) at least 160 hours of experience and be making progress toward any of the teacher qualifications in section 142H.06, subdivision 2, clauses (3) to (6). An assistant teacher qualified under this clause must be able to provide:

(i) documentation of current enrollment; and

(ii) evidence of working toward the successful completion of the credential.

Sec. 8. **[142H.08] AIDES, VOLUNTEERS, AND SUBSTITUTES.**

Subdivision 1. **Aide qualifications.** (a) An aide must work under the supervision of a teacher or assistant teacher, except when performing the tasks in paragraph (b). An aide must be used pursuant to the staff distribution requirements in section 142H.10, subdivision 2.

(b) An aide may work without being supervised by a teacher or assistant teacher when they are assisting with the supervision of sleeping children; assisting children with washing, toileting, and diapering; or accompanying children to and from the bus stop.

(c) An aide must be at least 16 years old.

Subd. 2. **Volunteers.** (a) A volunteer may work as a teacher, assistant teacher, aide, or substitute if the volunteer meets the requirements of that position.

(b) The license holder must maintain a list of all volunteers with relevant information, including first and last name, whether the volunteer must be supervised at all times or may occasionally be unsupervised, and the first date of direct contact with children.

(c) Unsupervised volunteers must successfully complete training as required in section 142H.09.

(d) Supervised volunteers must successfully complete the training required in section 142H.09, subdivision 7.

Subd. 3. **Substitutes.** (a) A substitute must either meet the requirements for the assigned staff position or be designated as an unqualified substitute by the director or the director designee. A director or director designee can designate a substitute as unqualified if:

(1) a teacher is continuously on site, except as provided in section 142H.10, subdivision 2, paragraph (e);

(2) when substituting as a teacher or assistant teacher, the unqualified substitute is aware of the unqualified substitute's designated staffing position; and

(3) the unqualified substitute is at least 18 years of age.

(b) All substitutes must successfully complete the required training under section 142H.09.

Subd. 4. **Tracking unqualified substitute hours.** (a) The license holder must document the use of unqualified substitute hours on the day the unqualified substitute works.

(b) In a calendar year, a license holder must not use unqualified substitutes more than 60 hours multiplied by the number of the center's classrooms.

(c) A license holder must maintain a log of the use of unqualified substitutes in the center administrative record for review by the commissioner. The log must be on a form prescribed by the commissioner.

Sec. 9. **[142H.09] STAFF ORIENTATION AND TRAINING.**

Subdivision 1. **Orientation training.** (a) Program staff persons must complete orientation training before providing direct contact services to a child.

(b) The orientation training must include the following topics:

(1) abusive head trauma for staff working with a child under school age pursuant to subdivision 8;

(2) the center's policy on administration of medication pursuant to section 142H.29, subdivision 5;

(3) the center's policy on allergy prevention and response pursuant to section 142H.15, subdivision 5;

(4) the center's policy on behavior guidance pursuant to section 142H.13;

(5) child passenger restraint systems pursuant to subdivision 9;

(6) the center's child care program plan pursuant to section 142H.11;

(7) the center's policy on cleaning, sanitizing, and disinfecting pursuant to section 142H.31;

(8) the center's emergency preparedness plan and procedures pursuant to section 142H.23, subdivision 1;

(9) procedures for the handling and disposal of bodily fluids pursuant to section 142H.29, subdivision 10;

(10) the center's emergency and accident policies pursuant to section 142H.23, subdivision 2;

(11) the center's health policies pursuant to section 142H.29;

(12) individual child care program plan or plans pursuant to section 142H.15, if applicable;

(13) job responsibilities specific to the individual's position at the center;

(14) prevention and control of infectious diseases pursuant to section 142H.18;

(15) the center's policy on research, cameras, and social media participation procedures pursuant to section 142H.22;

(16) the center's policy on the use of alcohol, drugs, and tobacco products pursuant to section 142B.10, subdivision 1, paragraph (c);

(17) recognition and reporting of maltreatment, abuse and neglect pursuant to chapter 260E;

(18) the center's risk reduction plan pursuant to section 142H.24;

(19) reduction of risk of sudden unexpected infant death pursuant to the requirements of subdivision 7 and section 142B.46; and

(20) transportation and field trip safety procedures pursuant to section 142H.33.

(c) Training for orientation may be used to meet in-service training requirements.

Subd. 2. **Child care basics training.** (a) Any program staff person hired after July 1, 2027, must complete child care licensing basics training no more than 90 days after the first date of direct contact with a child, unless the person has completed the training within the previous two years.

(b) Child care basics training covers information on effectively working in a child care center setting in Minnesota. Child care basics training must be developed and updated by the commissioner. Child care basics training may be used to meet in-service training requirements.

Subd. 3. **Child development and learning training.** (a) Program staff persons must complete at least two hours of child development and learning training within 90 days after the first date of direct contact with a child and every two calendar years thereafter. For the purposes of this subdivision, "child development and learning training" means any training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(b) An individual is exempt from this subdivision if the individual:

(1) has taken a three-credit college course on early childhood development within the past five years;

(2) has received a bachelor's or master's degree in early childhood education or school-age child care within the past five years;

(3) is licensed in Minnesota as a prekindergarten teacher, an early childhood educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood special education teacher, or an elementary teacher with a kindergarten endorsement; or

(4) has received a Montessori certificate or diploma issued by American Montessori Society, Association Montessori International, or an institution accredited by the Montessori Accreditation Council for Teacher Education within the past five years.

Subd. 4. **Pediatric first aid.** (a) Before direct contact with a child, a program staff person must satisfactorily complete pediatric first aid. Pediatric first aid training completed within the previous two calendar years meets this requirement.

(b) Notwithstanding paragraph (a), a program staff person who has yet to complete initial pediatric first aid training may provide direct contact services within 90 days after the first date of direct contact with a child while under the continuous direct supervision of an individual who has met the pediatric first aid training requirements of this subdivision. For purposes of this paragraph, "continuous direct supervision" means the program staff person is within sight or hearing of the program's supervising individual and the program's supervising individual is capable at all times of intervening to protect the health and safety of the children served by the program.

(c) The first aid training must have been provided by an individual approved to provide pediatric first aid instruction.

(d) A program staff person must complete training in pediatric first aid every two calendar years. Documentation of the training must be maintained at the center.

(e) Online training reviewed and approved by the commissioner satisfies the training requirement of this subdivision.

(f) Pediatric first aid training in this subdivision must not be used to meet in-service training requirements under subdivision 10.

Subd. 5. **Pediatric cardiopulmonary resuscitation.** (a) Before direct contact with a child, a program staff person must satisfactorily complete pediatric cardiopulmonary resuscitation (CPR) training, including CPR techniques for infants and children and the treatment of obstructed airways. Pediatric CPR training completed within the previous two calendar years meets this requirement.

(b) Notwithstanding paragraph (a), a program staff person who has yet to complete initial pediatric CPR training may provide direct contact services within 90 days after the first date of direct contact with a child, if they are under the continuous direct supervision of an individual who has met pediatric CPR training requirements under this subdivision. For the purposes of this paragraph, "continuous direct supervision" means the individual is within sight or hearing of the program's supervising individual to the extent that the program's supervising individual is capable at all times of intervening to protect the health and safety of the children served by the program.

(c) A program staff person must complete training in pediatric CPR every two calendar years. A center must maintain documentation of the trainings on site.

(d) A pediatric CPR training under this subdivision must incorporate a hands-on skill session to support the instruction and have been developed:

(1) by the American Heart Association or the American Red Cross; or

(2) using nationally recognized, evidence-based guidelines for pediatric CPR training.

(e) Pediatric CPR training must not be used to meet in-service training requirements under subdivision 10.

Subd. 6. **Sudden unexpected infant death training.** (a) Before direct contact with infants, program staff persons and volunteers must receive training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death during orientation and each calendar year thereafter.

(b) Sudden unexpected infant death reduction training required under this subdivision must be at least one-half hour in length and include at minimum the infant sleep standards under section 142B.46, the risk factors related to sudden unexpected infant death, methods of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Training taken under this subdivision may be used to meet the in-service training requirements under subdivision 10.

Subd. 7. **Abusive head trauma training.** (a) Before direct contact with children under school age, a program staff person must receive training on the risk of abusive head trauma during orientation and each calendar year thereafter.

(b) Abusive head trauma training under this subdivision must be at least one-half hour in length and include at minimum the risk factors related to shaking infants and young children, methods of reducing the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(c) training taken under this subdivision may be used to meet the in-service training requirements under subdivision 10.

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years and include at minimum the proper use of child restraint systems based on the size, weight, and age of the child and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety.

(d) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 10. Staff training completed within the previous five years is transferable upon change in employment to another child care center.

Subd. 9. **In-service training requirements.** (a) A license holder must ensure that program staff persons complete in-service training.

(b) In-service training completed within the past 12 months by a program staff person that is not specific to a child care center is transferable upon the program staff person's change in employment to another child care program. The program staff person must provide documentation of the completed training to the new child care program.

(c) All program staff persons, except substitutes and unsupervised volunteers, who work more than 20 hours per week must complete at least 20 hours of in-service training each calendar year.

(d) All program staff persons, except substitutes and unsupervised volunteers, who work 20 hours or less per week must complete at least ten hours of in-service training each calendar year.

(e) Substitutes and unsupervised volunteers must complete a minimum of two hours of training each calendar year and the training must include the topics identified under subdivision 11.

(f) The number of in-service training hours may be prorated for center directors and program staff persons not employed for an entire year.

(g) Pediatric first aid and pediatric CPR training must not be used to meet in-service training requirements.

Subd. 10. **In-service content.** (a) Each calendar year, in-service training must include the following:

(1) abusive head trauma training of at least one-half hour duration for individuals working with a child under school age pursuant to subdivision 8;

(2) the center policies and procedures for maintaining health and safety, including:

(i) allergy prevention and response training pursuant to section 142H.15, subdivision 5;

(ii) emergency preparedness and procedures pursuant to section 142H.23, subdivision 1;

(iii) handling emergencies, accidents, incidents, and injuries pursuant to section 142H.23, subdivision 2; and

(iv) handling and disposal of bodily fluids pursuant to section 142H.29, subdivision 10;

(3) maltreatment, abuse, and neglect reporting pursuant to chapter 260E;

(4) reduction of risk of sudden unexpected infant death training of at least one-half hour duration for individuals working with infants pursuant to the requirements of subdivision 7 and section 142B.46;

(5) a risk reduction plan pursuant to section 142H.24;

(6) the center policies and procedures on behavior guidance pursuant to section 142H.13; and

(7) the center policies and procedures on supervision pursuant to section 142H.24.

(b) At least once every two calendar years, in-service training must include the following:

(1) child development and learning pursuant to subdivision 4;

(2) at least one hour on cultural awareness and inclusion;

(3) pediatric first aid that meets the requirements of subdivision 5;

(4) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5; and

(5) at least one hour on identifying and supporting children with special needs.

(c) At least once every five calendar years, training must include child passenger restraint systems pursuant to subdivision 9, if applicable.

(d) The remaining hours of the in-service training requirement must be met by completing training in the Minnesota knowledge and competency framework areas.

Subd. 11. **Documentation required.** (a) The license holder must document completed training for program staff persons in a manner prescribed by the commissioner.

(b) For pediatric first aid and CPR trainings, the license holder must maintain copies of training cards or certificates issued by the training organization.

Sec. 10. **[142H.10] STAFF RATIOS, GROUP SIZE, AND STAFF DISTRIBUTION.**

Subdivision 1. **Staff-to-child ratios and maximum group size.** (a) Except as provided in this subdivision and section 142H.12 regarding naps and rest, the minimally acceptable staff-to-child ratios and the maximum group size within each age category are:

Age Category	Staff-to-Child Ratio	Maximum Group Size
Infant	1:4	8
Toddler	1:7	14
Preschooler	1:10	20
School-age child	1:15	30

(b) Except for groups that include an infant, the staff-to-child ratio may be doubled for no more than two hours during nap time. During the nap time, there must be enough program staff persons in the facility to meet staff-to-child ratio and staff distribution requirements under paragraph (a) and subdivision 2 for the groups in case of an emergency. The program must return to following the staff-to-child ratios and staff distribution requirements under paragraph (a) and subdivision 2 when the number of awake children exceeds the number of children who could be supervised by one program staff person under subdivision 1.

(c) The maximum group size applies at all times except during meals, outdoor activities, field trips, naps and rest, and special activities at the center such as guest speakers and holiday programs.

Subd. 2. **Staff distribution.** (a) The license holder must ensure that the following requirements for staff distribution are met and a documented staff schedule is kept in the administrative record.

(b) Except as provided in paragraphs (d) and (e), staff distribution within each age category must be as follows:

(1) the first staff member needed to meet the required staff child ratio must be a teacher;

(2) the second staff member must have at least the qualifications of an aide;

(3) the third staff member must have at least the qualifications of an assistant teacher; and

(4) the fourth staff member must have at least the qualifications of an aide.

(c) Only a program staff person can be included in meeting the staff-to-child ratios in this section.

(d) An aide must not work alone with a child unless the aide is performing certain duties as specified in section 142H.08, subdivision 1, paragraph (b).

(e) An assistant teacher or an aide may be substituted for a teacher during arrival and departure times if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. For an aide to be substituted for a teacher under this subdivision, the aide must:

(1) be 18 years of age or older;

(2) have been employed by the child care center for a minimum of 30 days; and

(3) have completed the training required under section 142H.09, including orientation and the training required within the first 90 days of the first date of direct contact with a child.

(f) A volunteer who is included in the staff-to-child ratio must meet the requirements for the assigned staff position in sections 142H.06 to 142H.08.

(g) The pattern in paragraph (e) must be repeated until the number of staff needed to meet the staff-to-child ratio for each age category has been achieved.

Subd. 3. **Age category grouping.** (a) Each center must specify arrival and departure times of the day in their program's policies. Children in different age categories may be grouped according to paragraphs (b) and (c).

(b) During arrival and departure times, children in different age categories may be grouped together if:

(1) the staff-to-child ratio, group size, and staff distribution applied are for the age category of the youngest child present; and

(2) the group is divided when the number of children present reaches the maximum group size of the youngest child present.

(c) Outside of arrival and departure times, children in different age categories may be mixed within a group if:

(1) infants are not grouped with children of other age categories;

(2) there is no more than a 36-month range in age among children in a group, unless all children in the group are school age; and

(3) the staff-to-child ratios, group size, and staff distribution applied are for the youngest child present.

Subd. 4. **Age designation.** (a) Except as provided in this subdivision, a child must be designated as a member of the age category that is consistent with the date of birth of the child.

(b) A child with special health care needs must be included in the group that best meets the child's developmental needs, best interest of the child, and in accordance with the individual child care program plan for the child.

(c) A child may be designated as an "infant" up to the age of 18 months if the parent, teacher, and director determine that such a designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(d) A child may be designated as a "toddler" up to the age of 35 months if the parent, teacher, and director determine that the designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(e) A child may be designated as a "preschooler" at the age of 31 months if the parent, teacher, and director determine that the designation is in the best interest of the child. The center must document the determination and designation in the file of the child.

(f) When a child is transitioning age groups pursuant to subdivision 5 and with the child's new class, the child must be designated as if the child has already aged into the class.

Subd. 5. **Transitioning children.** (a) Transitions to the next age group may occur up to two weeks prior to the child aging into the next age group. The transition must be planned in advance based on the child's readiness and in consultation with parents and program staff.

(b) A center must develop a written policy on transitioning children to the next age group.

Sec. 11. **[142H.11] CHILD CARE PROGRAM PLAN AND ACTIVITIES.**

Subdivision 1. **General requirements.** The child care program plan must:

(1) include a statement mandating that children are supervised at all times as defined in section 142H.01, subdivision 38, and pursuant to the requirements of section 142H.24, subdivision 1;

(2) specify the age categories and number of children to be served by the program;

(3) specify the days and hours of operation of the program;

(4) describe the general educational methods to be used by the program and the religious, political, or philosophical basis, if any;

(5) be developed and evaluated in writing each calendar year by a program staff person qualified as a teacher or director under sections 142H.05 and 142H.06. Documentation of the evaluation, the date of the evaluation, and the signature of the teacher or director completing the evaluation must be maintained in the center administrative records;

(6) specify planned activities designed to support and nurture the whole child in all areas of the development and learning of the child, including but not limited to the following: intellectual, social, emotional, and physical development. The activities must be in a manner consistent with the cultural and ethnic backgrounds of a child, as feasible;

(7) specify that the intellectual, social, emotional, and physical development of each child be documented in the record of the child and conveyed to the parent during the conferences specified under section 142H.20, subdivision 2;

(8) include a daily schedule of planned indoor and outdoor activities for each age category served;

(9) specify activities that are quiet, active, teacher directed, and child initiated;

(10) specify a variety of activities that require the use of varied equipment and materials;

(11) include a schedule if equipment is rotated between groups of children;

(12) describe use of technology and screen time for each age category; and

(13) be available to a parent for review upon request.

Subd. 2. **Outdoor activities.** (a) Child care activities must promote the physical, intellectual, social, and emotional development of the child. To facilitate child development, programs must include daily outdoor activities when weather conditions allow, as defined in this subdivision.

(b) The applicant must develop a written outdoor weather and activity policy. The license holder must ensure that the policies and procedures are carried out. The policies and procedures must incorporate guidance from national, state, or local authorities in public health and at a minimum require the provider to consider the following conditions when determining if outdoor play poses a health and safety risk:

(1) heat in excess of 100 degrees Fahrenheit accounting for heat index, or pursuant to advice of the local authority;

(2) cold less than 15 degrees Fahrenheit accounting for wind chill, or pursuant to advice of the local authority;

(3) extreme weather, including but not limited to a lightning storm, blizzard, tornado, or flooding;

(4) an air quality emergency order by a local or state authority on air quality or public health; or

(5) a lockdown notification ordered by a public safety authority.

(c) The center's outdoor weather and activity policy must specify, if children are to go outside beyond the temperature range specified in paragraph (b), clauses (1) and (2), what procedures will be used to keep the children safe, including but not limited to ensuring children have appropriate clothing, providing frequent indoor breaks, or matching the intensity of the activity level to the weather conditions.

(d) For toddlers, preschool, and school-age children attending four or more hours per day, the license holder must provide at least one opportunity for outdoor activity per day pursuant to paragraph (b).

(e) For infants attending four or more hours per day, the license holder must provide at least one opportunity for outdoor activity per day as practicable, pursuant to paragraph (b) and the individual needs of the infants in care.

(f) Programs operating three or fewer hours per day are exempt from the daily outdoor activity requirement.

(g) If the weather is not suitable for outdoor activities, the program must provide indoor gross motor play activities that support physical development.

Sec. 12. **[142H.12] NAPS AND REST.**

Subdivision 1. **Naps and rest policy.** An applicant must develop and a license holder must implement a policy for naps and rest that is consistent with the developmental level of the children enrolled in the center. The policy must include but is not limited to the requirements in this section, as applicable.

Subd. 2. **Parent consultation.** The parent of each child must be informed at the time the child is enrolled of the center's policy on naps and rest and be offered the opportunity to provide information specific to their child.

Subd. 3. **General nap and rest requirements.** (a) The child care center must provide a quiet space for children to nap and rest.

(b) Nap and rest time must be in accordance with the developmental needs of the child.

(c) Nap and rest areas must be lighted to allow for visual supervision of all children at all times.

(d) Evacuation routes must not be blocked by resting or napping children. Each child must have a free and direct means of escape, and the staff must have a clear path to each resting child, including full access to at least one long side of a crib, cot, or mat.

(e) A crib that meets the safety requirements of section 142B.45 must be provided for each infant for whom the center is licensed to provide care.

(f) The license holder must follow the infant safe sleep requirements under section 142B.46.

(g) Cribs, cots, and mats must be placed directly on the floor and must not be stacked when in use.

Subd. 4. **Monitoring napping infants.** (a) An infant must be supervised as defined in section 142H.01, subdivision 38, and pursuant to section 142H.24, subdivision 1, paragraph (b).

(b) Staff must conduct in-person checks of the sleeping infant every 15 minutes.

(c) When a baby monitor or other mechanical equipment is used to hear or see infants during sleep, the monitoring equipment must be:

(1) able to pick up the sounds of all infants in the separate room;

(2) actively monitored by program staff at all times; and

(3) checked daily prior to use to ensure it is working correctly. If equipment is malfunctioning, a program staff person must put in place an alternate means of supervision until the equipment can be fixed.

Subd. 5. **Confinement limitation.** A child who has completed a nap or rested quietly for 30 minutes must not be required to remain on a cot, mat, or in a crib. Any child who does not fall asleep during a designated nap time must have the opportunity to engage in quiet activities.

Subd. 6. **Bedding and sleeping equipment.** Separate bedding must be provided and stored separately for each child in care.

Sec. 13. **[142H.13] BEHAVIOR GUIDANCE.**

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

(b) "Behavior guidance" means an ongoing process where a program staff person offers constructive, positive, and developmentally appropriate guidance to a child to help manage the child's behavior in a socially acceptable manner.

(c) "Persistent unacceptable behavior" means when a child:

(1) exhibits behaviors that present a serious safety risk for the child or others and the program is not able to reduce or eliminate the safety concern; or

(2) significantly disrupts the learning environment and requires an increased amount of staff guidance and time to address the child's behavior. Significantly disruptive behavior may include physical aggression, verbal threats, or repetitive behaviors that have been addressed through standard behavior guidance techniques without improvement.

(d) "Redirection" means a positive guidance technique where a program staff person intervenes and guides a child away from potential problems toward constructive activity or talks with a child to help the child calm down and self-regulate.

(e) "Separation" means a form of behavior guidance that involves interruption of unacceptable behavior by the removal of a child from a situation with the intention of allowing the child an opportunity to pause and gain self-control. During a separation a child is isolated from participating in activities with other children. Separation of children must be done pursuant to subdivision 7.

Subd. 2. **Behavior guidance policies and procedures.** The applicant must develop written behavior guidance policies and procedures approved by the commissioner. The license holder must ensure that the policies and procedures are carried out. The policies and procedures must include:

(1) methods of promoting positive behavior as specified under subdivision 3;

(2) prohibited actions as specified under subdivision 4;

(3) addressing persistent unacceptable behavior as specified under subdivision 6; and

(4) separation from the group as specified in subdivision 7.

Subd. 3. **Methods of promoting positive behavior.** A license holder must promote positive behavior by:

(1) ensuring that each child is provided with a positive model of acceptable behavior;

(2) tailoring methods of promoting positive behavior to the developmental level of the children the center is licensed to serve;

(3) ensuring redirection is used, as appropriate in addressing the behavior of a child, to guide a child away from potential problems and toward constructive activity or to talk with a child to help them calm down and self-regulate;

(4) teaching children how to use acceptable alternatives to problem behavior to reduce conflict;

(5) protecting the safety and well-being of children, employees, and volunteers; and

(6) providing immediate and directly related consequences for the unacceptable behavior of a child.

Subd. 4. **Prohibited actions.** A license holder must prohibit the following actions by or at the direction of employees or volunteers:

(1) subjecting a child to corporal or physical punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, spitting, hitting, or spanking;

(2) subjecting a child to name calling, ostracism, shaming, derogatory remarks about the child or the child's family, cultural or racial slurs, yelling, or profane language that threatens, humiliates, or frightens the child;

(3) forcing a child to maintain an uncomfortable position or to continuously repeat physical movements;

(4) utilizing group punishments for the behavior of an individual child;

(5) separation of a child from the group except as provided in subdivision 7;

(6) punishment for not resting, napping, or sleeping; toileting accidents; failing to eat all or part of meals or snacks; or failing to complete an activity;

(7) denial of food or drink or forcing food or drink upon a child;

(8) denial of light, warmth, clothing, or medical care as a punishment for unacceptable behavior;

(9) the use of physical restraint other than to physically hold a child when containment is necessary to protect the child or others from harm;

(10) the use of mechanical restraints, including tying a child up, or any device or equipment intended to restrict or prevent movement as a means of discipline or for reasons unrelated to the child's care, safety, or planned activity;

(11) the use of prone or contraindicated restraints as prohibited in section 245A.211;

(12) the use of any substance given to a child to subdue or restrict movement or behavior;

(13) discipline and punishment must not be delegated to another child; and

(14) punishing or shaming a child for the actions of a parent, including but not limited to failure to pay fees, failure to provide appropriate clothing, failure to provide materials for an activity, or any conflict between the license holder or staff and the parent.

Subd. 5. **Additional provisions.** (a) When providing services to a child with a developmental disability or related condition, the license holder must follow section 142B.63.

(b) A program that cares for a child with a developmental disability or related condition must comply with the individual child care program plan requirements under section 142H.15.

Subd. 6. **Persistent unacceptable behavior.** (a) A program staff person who observes persistent unacceptable behavior must document the behavior of the child and staff response to the behavior, including:

(1) information on where the child was, what activity the child was doing, and the employees or volunteers present when the incident occurred; and

(2) staff actions, including the positive guidance techniques that were tried.

(b) When persistent unacceptable behavior as defined in subdivision 1, paragraph (c), occurs, a behavior plan must be developed to address the behavior documented in paragraph (a) in consultation with the child's parent, the program staff, and other professionals involved in the care and treatment of the child, as appropriate. The behavior plan must include but is not limited to the following:

(1) a description of the specific behavior;

(2) the planned behavior management method to be used in response to the behavior pursuant to subdivision 3 or any other previously approved methods; and

(3) an area to document the effectiveness of the plan and progress of the child.

(c) The plan must be signed and dated by the child's parent, the director, and other professionals involved in the care and treatment of the child, as applicable, and kept in the child's record.

(d) The plan and the child's progress must be reviewed at least twice each calendar year, or more frequently as needed, and changes must be made based on the child's needs and the input of the child's parent, program staff, or other individuals involved in the provision of care and treatment of the child. Documentation of the review must be kept in the child's record. If the child's parent and the program staff agree that the behavior plan is no longer needed, the license holder must document the date the behavior plan is no longer in effect.

(e) The license holder must ensure that all staff who work directly with the child are trained on the behavior plan prior to working with the child or when a new behavior plan is developed. Documentation of staff training must be maintained on file.

(f) The license holder must ensure that all staff who work directly with the child are trained on the behavior plan prior to working with the child or when a new behavior plan is developed. Documentation of staff training must be maintained on file.

Subd. 7. **Separation time from the group.** No child may be separated from the group unless the license holder has tried less intrusive methods of guiding the child's behavior that have been ineffective and the behavior of the child threatens the well-being of the child or other children in the center. Separation from the group must meet the following requirements:

(1) the separation time must be limited to the amount of time necessary for the child to gain self-control and rejoin the group;

(2) the duration of separation of the child must be documented, including the beginning and end time of the separation;

(3) infants and toddlers must not be separated from the group as a means of behavior guidance. Positive behavior guidance techniques such as redirection may be used with toddlers; and

(4) the child must be supervised as defined under section 142H.01, subdivision 38, while separated.

Sec. 14. **[142H.14] FURNISHINGS, EQUIPMENT, MATERIALS AND SUPPLIES.**

Subdivision 1. **General requirements.** (a) Each center must have on the premises the quantity and type of equipment and materials necessary to implement the child care program plan under section 142H.11 and the indoor and outdoor equipment requirements in subdivisions 2 and 3.

(b) Equipment and furniture must be durable, in good repair, structurally sound, stable, and free of sharp edges, dangerous protrusions, points where extremities of a child could be pinched or crushed, and openings or angles that could trap part of a child.

(c) License holders and program staff must ensure equipment and furnishings are not hazardous objects as specified in section 142H.34, subdivision 17.

(d) Equipment designed and marketed for use by children must be appropriate to the age and size of children and used in accordance with the manufacturer's instructions. Equipment and play materials not designed or marketed for use by children, including but not limited to repurposed, homemade, and open-ended items, must be appropriate to the age and size of children, in good repair, and used under the supervision of a program staff person. Such equipment and play materials are not required to have manufacturer's instructions and are subject to the requirements of this subdivision.

Subd. 2. **Indoor play equipment.** The license holder must provide sufficient indoor play equipment and materials so that at any point in the day when children are indoors and using equipment every child can choose from at least three activities involving equipment or materials. The quantity of indoor equipment provided must be based on the maximum licensed capacity of the classroom and must be accessible to children as specified in subdivision 6.

Subd. 3. **Outdoor play equipment.** The license holder must provide sufficient outdoor play equipment and materials so that when all children are outdoors every child can choose from at least one activity involving equipment or materials. The quantity of outdoor equipment and materials provided must be based on the maximum licensed capacity and must be accessible to children as specified in subdivision 6.

Subd. 4. **Natural elements and materials.** (a) A license holder may provide children with access to natural elements and materials as equipment and play materials. Natural elements and materials and appropriate uses of natural elements and materials include, but are not limited to:

(1) natural loose parts, such as sticks, leaves, pinecones, acorns, seeds, pods, bark, and moss for construction, art, sensory exploration, and imaginative play;

(2) natural materials, such as dirt, mud, sand, water, ice, and snow for sensory play and exploration;

(3) plants, flowers, seeds, vegetables, and gardening materials for science exploration and learning;

(4) rocks, pebbles, stones, and minerals for counting, sorting, building, and art;

(5) natural areas such as gardens, prairie, forest, wetlands, and ponds for exploration and learning; and

(6) other natural elements as appropriate to age and development of children.

(b) A program staff person must supervise a child's use of natural elements and materials and provide guidance on safe and appropriate use. Natural elements and materials that are a choking hazard must not be accessible to children under the age of three without direct supervision of a program staff person.

(c) Natural elements and materials may qualify as equipment and materials from interest areas under subdivision 6.

Subd. 5. **Interest areas.** The license holder must have equipment and materials in each of the following developmental and interest areas to support a child's learning and growth:

(1) creative arts and crafts;

(2) construction and building;

(3) social interaction, dramatic play, or practical life activities;

(4) math and science;

(5) music;

(6) fine motor skills;

(7) physical and movement activities;

(8) sensory exploration activities; and

(9) language and literacy.

Subd. 6. **Equipment rotation and accessibility.** A child care program may rotate equipment throughout the day as specified in the child care program plan if the number of choices required in

subdivisions 2 and 3 is available for each child in attendance. Equipment and materials from each interest area must be accessible to children at least once per day.

Subd. 7. **Furnishings.** The license holder must ensure that each child has access to furniture that is developmentally appropriate and the appropriate size, including at a minimum:

(1) one diaper changing table for every 12 infants or 14 toddlers. The same table may not be counted to fulfill the requirement under this clause for both infants and toddlers;

(2) one hands-free covered diaper container per diaper changing table;

(3) one crib and waterproof mattress per infant, including enough cribs with wheels to evacuate the number of infants the program is licensed to serve;

(4) one cot or mat per toddler or preschooler. This clause does not apply to programs operating for less than five hours per day if rest is not indicated as part of the center's child care program;

(5) for infants, one nonfolding seating option per child based on licensed capacity; and

(6) for toddlers, preschoolers, and school-age children, one nonfolding seating option per child based on licensed capacity, with a corresponding amount of table space to allow the child to do table work or eat a meal while seated.

Subd. 8. **Supplies.** (a) The license holder must maintain enough diapers, disposable paper for the diaper changing table, facial tissues, liquid hand soap, and single-service towels to maintain cleanliness and sanitation for children in care.

(b) The license holder must provide at least two sets of sheets for each crib.

Sec. 15. **[142H.15] CHILDREN WITH SPECIAL HEALTH CARE NEEDS OR DISABILITIES.**

Subdivision 1. **Child with special health care needs or disabilities.** For the purposes of this section, "child with special health care needs or disabilities" means a child who:

(1) has developmental disabilities or is otherwise eligible for case management pursuant to Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) has been identified by the local school district as a child with a disability as defined in section 125A.02, subdivision 1; or

(3) has been determined by a health care provider as defined in section 142H.01, subdivision 22; licensed psychiatrist; licensed psychologist; or licensed consulting psychologist as having a special health care need or disability relating to physical, social, or emotional development.

Subd. 2. **Report to parent.** The license holder must inform the parent when there is a developmental concern or potential special health care need of a child that was not previously identified.

Subd. 3. **Individual child care program plan.** (a) When a license holder admits a child with a disability or special health care need or a special need is identified, the license holder must ensure that an individual child care program plan (ICCPP) is developed in a form and manner prescribed by the commissioner to meet the child's individual needs.

(b) When developing or updating the ICCPP, the license holder must obtain relevant information from the child's parent and program staff who work directly with the child.

(c) For a child who meets the criteria in subdivision 1, clause (1), the ICCPP must be coordinated with the child's individual service plan (ISP).

(d) For a child who meets the criteria in subdivision 1, clause (2), the ICCPP must be coordinated with the child's individualized educational plan (IEP).

(e) For a child who meets the criteria in subdivision 1, clause (3), the ICCPP must be coordinated with the child's health care provider or other necessary medical professionals.

(f) The license holder must ensure that all program staff who work directly with the child are trained on the ICCPP prior to working with the child. Documentation of staff training must be maintained on file.

(g) Before the ICCPP is implemented, the parent and the director must sign and date the form. The ICCPP must be kept in the child's record.

(h) The ICCPP must be reviewed and updated at least once each calendar year and more frequently if needed. The ICCPP must be signed and dated by the parent and the director upon their yearly review.

(i) The most recent ICCPP must be available at all times to program staff when the child is in care.

Subd. 4. **Inclusion.** All activities must be designed to include all children unless a specific medical contraindication exists or an exclusion is otherwise specified in a child's ICCPP.

Subd. 5. **Allergy prevention and response.** (a) An applicant must develop a written policy on allergy prevention and response. A license holder must ensure the policy is carried out and provided to parents at the time of enrollment.

(b) Before admitting a child for care, the license holder must obtain documentation of any known allergy from the child's parent or the child's health care provider.

(c) If a child has a known allergy, the license holder must maintain current information about the allergy in the child's record and develop an ICCPP pursuant to subdivision 3, including:

(1) a description of the allergy;

(2) specific triggers and avoidance techniques;

(3) symptoms of an allergic reaction;

(4) procedures for responding to an allergic reaction, including medication to be administered in an emergency situation and dosages; and

(5) the child's health care provider contact information.

(d) If a child has an ICCPP related to a food allergy, the ICCPP must be readily available to the person in the area where food is prepared and served to the child. If food is prepared off site, the center must notify the person or entity preparing the food of any food allergies of children in their care. Food allergy information for all children in care must be readily available to staff in the classroom and wherever food is served.

(e) The license holder must contact the parent of the child immediately after any instance of exposure or allergic reaction.

(f) The license holder must call 911 when epinephrine is administered to a child in care.

Subd. 6. **Temporary physical needs.** If a child has a temporary physical need as identified by their health care provider, including but not limited to a brace, cast, or helmet, the license holder must maintain current documentation about the temporary physical need from the child's health care provider and any necessary accommodations in the child's record. The license holder must ensure staff who work with the child are aware of the child's temporary physical need and follow the identified necessary accommodations. An ICCPP is not required for documenting a temporary physical need under this subdivision and the accommodation.

Sec. 16. **[142H.16] NIGHT CARE PROGRAM.**

Subdivision 1. **Applicability.** A license holder providing overnight care must comply with this section.

Subd. 2. **Furnishings.** Each child enrolled in a night care program must be provided with a crib or bed, described as follows:

(1) a crib that meets the requirements under section 142B.45 and two sets of sheets must be provided for each infant and meet the requirements under section 142H.14;

(2) an individual age-appropriate bed with two sets of sheets and a blanket or quilt must be provided for each toddler, preschooler, or school-age child;

(3) each bed or crib must have a waterproof mattress or mattress pad that can be cleaned and disinfected;

(4) bedding and sleeping equipment must be cleaned and disinfected as specified in section 142H.31, subdivision 4, clause (3); and

(5) separate bedding must be provided and stored separately for each child in care.

Subd. 3. **Clothing intended for sleeping.** The license holder must ensure that all children are put to bed in clothing for sleeping as designated by the parent of the child.

Subd. 4. **Personal care items.** The license holder must ensure that all children have personal items needed to clean up and prepare for sleep. The items must include an individual washcloth, towel, toothbrush, toothpaste, and liquid hand soap.

Subd. 5. **Meals and snacks.** (a) The license holder must ensure that a child who will be present in the center has had or will be provided with an evening meal. A bedtime snack must be available for all children in attendance. Eating times and schedules for the individual child must be consistent with patterns established in consultation with the parent of the child.

(b) Night care programs are exempt from the requirements of section 142H.32, subdivision 7.

Subd. 6. **Staffing.** At least two program staff persons, one of whom must qualify as a teacher under section 142H.06, must be present in the center at all times during the hours the night program is in operation. When more than 80 percent of the children present are asleep, the remaining program staff persons needed to meet the required staff-to-child ratio must have at least the qualifications of an aide. Program staff must be awake, dressed, and provide supervision as specified in sections 142H.01, subdivision 38, and 142H.12 to children who are sleeping.

Subd. 7. **Hygiene assistance.** The license holder must ensure that children have the opportunity to wash up and brush their teeth before bedtime. Program staff must assist children during washing and changing clothes according to the developmental needs of the child.

Subd. 8. **Showers and bathtubs.** The license holder must ensure bathtubs and showers are equipped to prevent slipping, if the center provides bathing.

Subd. 9. **Bathing procedures.** The center must have written permission from the parent prior to allowing the child to bathe and ensure bathtubs and showers are cleaned and disinfected after each use. The tub or showers do not have to be disinfected between uses if the children are siblings and the parent has provided written consent. All children must bathe separately unless the children are siblings and the parent has provided written consent that the children can be bathed together.

Subd. 10. **Privacy.** To ensure privacy, school-age boys and girls must be separated during bedtime washing and changing activities.

Subd. 11. **Sleeping arrangements.** The center must provide sleeping arrangements so that sleeping children are cared for separately from children who are awake and so that sleeping children are not disturbed by arrivals and departures. Infants must have a sleep area separate from the center's play and activity areas.

Subd. 12. **Bedtime.** A child's bedtime must be scheduled in consultation with the child's parent.

Subd. 13. **Light.** The center must provide adequate lighting indoors in all areas, including bathrooms, hallways, and sleeping rooms to ensure that staff are able to see all children at all times.

Subd. 14. **Outdoor illumination.** The center must ensure that parking areas, outdoor walkways, and all building entrances are adequately lighted for safety and security.

Subd. 15. **Program emphasis.** A license holder operating a night care program must comply with the child care program standards in 142H.11.

Subd. 16. **Exceptions.** The outdoor activity area required by section 142H.34, subdivision 7; outdoor activities required by section 142H.11, subdivision 2; and outdoor equipment required by section 142H.14 need not be provided for children enrolled in a night care program.

Sec. 17. **[142H.17] DROP-IN CHILD CARE PROGRAMS.**

Subdivision 1. **Drop-in child care programs.** If a license holder chooses to operate as a drop-in child care program, the license holder must comply with the requirements in this section.

Subd. 2. **Exemptions.** (a) Drop-in child care programs that meet one of the requirements in paragraph (b) are exempt from:

(1) section 142H.10;

(2) section 142H.11, subdivision 1, clauses (6) and (7); and

(3) section 142H.12, subdivisions 3 and 5, except for infants and toddlers.

(b) A drop-in child care program is exempt from the requirements in paragraph (a) if the program operates:

(1) in a child care center that houses no child care program except the drop-in child care program;

(2) in the same child care center but not during the same hours as a regularly scheduled ongoing child care program with a stable enrollment; or

(3) in a child care center at the same time as a regularly scheduled ongoing child care program with a stable enrollment, but activities, except for bathroom use and outdoor play, are conducted separately from each other.

Subd. 3. **Staffing requirements.** (a) A drop-in child care program must have at least two program staff persons on site whenever the program is operating: the director or a designee and a program staff member who is qualified as a teacher.

(b) If the drop-in child care program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for preschool and school-age children by a maximum of four children for no more than 20 minutes while additional staff are in transit. If the ratio is exceeded for more than 20 minutes, the license holder must review the mandatory on-call staff procedures and revise as necessary to ensure compliance with this section, including hiring additional on-call staff as needed.

(c) Whenever there is a total of 20 children or more at a drop-in child care center, children that are younger than 30 months must be cared for in a separate group. The group may contain children up to 60 months old. The group must be cared for in an area that is physically separated from older children.

(d) In drop-in care programs that serve both infants and older children, children up to 30 months old may be supervised by assistant teachers as long as other staff are present in appropriate ratios.

(e) A drop-in child care program may care for siblings who are all at least 16 months old together in any group. For purposes of this section, "sibling" is defined as sister or brother, half sister or half brother, or stepsister or stepbrother.

Subd. 4. **Staff-to-child ratio requirements in a drop-in program.** The minimum staff-to-child ratio that a license holder may maintain in a drop-in program is:

(1) for infants, one program staff person for every four infants;

(2) for toddlers, one program staff person for every seven children;

(3) for preschoolers, one program staff person for every ten children; and

(4) for school-age children, one program staff person for every 15 children.

Subd. 5. **Staff distribution.** (a) The minimum staff distribution pattern for a drop-in child care program is:

(1) the first staff member needed to meet the required staff-to-child ratio must be a teacher;

(2) the second and third staff members must have at least the qualifications of a child care aide; and

(3) the fourth staff member must have at least the qualifications of an assistant teacher.

(b) The pattern in paragraph (a) must be repeated until the number of staff needed to meet the staff-to-child ratio for each age category has been achieved.

Sec. 18. **[142H.18] EXCLUSION OF SICK CHILDREN .**

Subdivision 1. **Care of sick children.** If a child becomes sick while at the center, the child must be isolated from other children in care and the child's parent called immediately. When determining if a child is sick and exclusion is necessary, license holders must follow:

(1) the requirements on reportable diseases in Minnesota Rules, parts 4605.7040, 4605.7070, and 4605.7080; and

(2) guidelines from the commissioner of health on infectious diseases in child care settings.

Subd. 2. **Notification.** (a) A child care center's program policies must require a parent to inform the center within 24 hours, exclusive of weekends and holidays, when a child is diagnosed by a child's health care provider or dental care provider as having a reportable or infectious disease as specified in subdivision 1.

(b) The license holder must ensure that the commissioner of health is notified of any suspected case of reportable disease as specified in Minnesota Rules, parts 4605.7040, 4605.7050, or 4605.7080, within 24 hours of receiving the parent's or staff report. Documentation of the notification must be kept at the center.

(c) The license holder must notify the parents of exposed children within 24 hours of when a parent, employee, or volunteer notifies the center of a reportable disease under subdivision 1, lice, scabies, impetigo, ringworm, or chicken pox. The notice must be posted in a clearly visible, accessible place or provided individually to each parent of a child who was exposed.

Subd. 3. **Return to center.** Children with a reportable or infectious disease as specified in subdivision 1 must be excluded from the center for a length of time as specified in the commissioner of health guidelines on infectious diseases in child care settings and until the child can participate in routine activities without more staff supervision than usual. The center must exclude a child for a longer period if the child's health care provider determines that it is necessary.

Sec. 19. **[142H.19] SICK CARE PROGRAM.**

Subdivision 1. **Licensure of sick care programs.** If a license holder chooses to operate as a sick care program, the license holder must operate a sick care program that complies with the requirements in this section.

Subd. 2. **Review of admission and health policies and practices.** (a) A licensed physician, physician assistant, or advanced practice registered nurse with a specialization in pediatric care must review and approve a sick care program's admission policy at the time of initial license application, after the first six months of initial operation, and at least once each calendar year.

(b) The review must include consultation with the licensed registered nurse or physician responsible for admissions.

(c) A report of the findings must be sent to the commissioner with the initial application for licensure, and subsequent reports must be placed in the center's administrative record.

Subd. 3. **Evaluation of a sick child.** (a) A license holder that operates a sick care program must evaluate the condition of a sick child before admitting the child to the center.

(b) The evaluation must be based on the physical symptoms of the child each day of admission, the probable contagion and risk to the health of others present, the ability of the program to provide the care the child requires, and whether the child can be grouped together with other children in care with contagious or noncontagious illnesses. Documentation of the evaluation must be placed in the child's record.

(c) Before admitting a child to a sick care program:

(1) a parent must describe the child's symptoms over the phone;

(2) a health care provider affiliated with the center must tell the parent whether the parent may bring the child to the center for further evaluation; and

(3) the health care provider must conduct a physical assessment of the child and obtain a health history from the parent at the center.

Subd. 4. **Information to parents.** A summary of the sick care program's health care policies and practices and the center's procedures for notification of parents in the event of an emergency

must be given to the parent the first time a child is admitted and every admission following a change to any of the information.

Subd. 5. **Parent conference exception.** Centers licensed to provide child care exclusively to sick children are not required to provide parent conferences under section 142H.20, subdivision 2.

Subd. 6. **Child care program emphasis exception.** A sick care program does not need to meet the child care program plan requirements under section 142H.11. However, the child care program plan for the care of sick children must emphasize quiet activities.

Subd. 7. **Group size and age category grouping exceptions.** The maximum group sizes specified under section 142H.10, subdivision 1, and the age category grouping restrictions under section 142H.10, subdivision 3, do not apply to sick care programs. There must be no more than 16 children in sick care in the same room at the same time.

Subd. 8. **Staff-to-child ratios and staff distribution requirements.** (a) A one-to-four staff-to-child ratio must be maintained at all times in a room used to care for sick children.

(b) At least two program staff persons must be present in a center operating a sick care program whenever sick children are in care.

(c) The first program staff person must be a registered nurse. The remaining program staff persons must at least meet the qualifications and follow the staff distribution pattern under section 142H.10.

Subd. 9. **Limitation on staff assignment.** Staff must not care for nonsick children or prepare food for nonsick children on the same day as sick children. Staff caring for sick children must not enter the kitchen used to prepare food for nonsick children.

Subd. 10. **Food preparation.** Food provided by the license holder and prepared at the center must be prepared in a room separate from rooms where sick care is provided and must be delivered to each sick care room in individual servings and in covered containers. Procedures for preparing, handling, and serving food and washing food, utensils, and equipment must comply with the requirements in the Minnesota Food Code, Minnesota Rules, chapter 4626.

Subd. 11. **Menus.** Menus for sick children must be modified to meet the individual needs of the child.

Subd. 12. **Additional facility requirements.** A license holder operating a sick care program must provide:

(1) a room or rooms that are exclusively used to care for sick children and that are not used at any time for any other child care purpose; and

(2) toilets and hand sinks that are within or immediately adjacent to the room or rooms used for sick care and are not used by well children in care.

Subd. 13. **Outdoor activity area, activities, and equipment exception.** Sick care programs under this section are exempt from the requirements for an outdoor activity area under section

142H.34, subdivision 7; outdoor activities under section 142H.11, subdivision 2; and outdoor equipment under section 142H.14.

Subd. 14. **Cleaning and disinfection.** Floors in rooms where sick care is provided and all linens, toileting equipment, sinks, furnishings, objects, and equipment used by sick children must be cleaned and disinfected at least daily and as needed pursuant to the requirements under section 142H.31.

Subd. 15. **Bedding and sleeping equipment.** (a) Each sick child must be provided appropriate bedding and sleeping equipment, depending on the age of the child, as follows:

(1) a crib and crib sheets pursuant to the requirements of section 142B.45, cot, mat, or bed, depending on the age of the child;

(2) a pillow, except if the child is an infant;

(3) a pillowcase, except if the child is an infant; and

(4) a blanket or quilt, except if the child is an infant.

(b) Bedding provided by the center must be laundered after each use. Sleeping equipment must be cleaned and disinfected after each use.

Sec. 20. **[142H.20] INFORMATION TO PARENTS.**

Subdivision 1. **Policies provided to parents.** At the time of a child's enrollment, the center must provide the parent with written notification of the:

(1) ages and numbers of children the center is licensed to serve;

(2) hours and days of operation;

(3) child care program options the center is licensed to operate, including a description of the program's educational methods; the program's religious, political, or philosophical basis, if any; and how parents may review the center's child care program plan;

(4) policy on parent conferences and notification to a parent of a child's intellectual, physical, social, and emotional development;

(5) policy requiring a health care summary and immunization record of a child;

(6) policies and procedures for the care of children who become sick at the center and parent notification practices for the onset of or exposure to a contagious illness or condition pursuant to section 142H.18 or when there is an emergency or injury requiring medical attention;

(7) policies and procedures for administering first aid and sources of care to be used in case of emergencies;

(8) policies on the administration of medicine;

(9) procedures for obtaining written parental permission for transportation of children and field trips as required in section 142H.33, subdivision 4, paragraph (d);

(10) procedures for obtaining written parental consent for research, cameras, and social media participation pursuant to section 142H.22;

(11) policies on transitioning a child to the next age group, pursuant to section 142H.10;

(12) policies on the provision of meals and snacks;

(13) behavior guidance policies and procedures;

(14) presence of pets;

(15) policy on visitation and parental access to children pursuant to section 142H.21;

(16) policy on the prohibition of smoking, use of tobacco products, vaping, electronic cigarettes, alcohol, and drugs on the premises of the program pursuant to section 142H.29, subdivision 11;

(17) policy on use of technology and screen time pursuant to section 142H.11, subdivision 1, clause (12);

(18) telephone number of the Department of Children, Youth, and Families, Division of Licensing;

(19) policy on naps and rest pursuant to section 142H.12; and

(20) procedures for notifying parents of an evacuation, including procedures for reunification with families.

Subd. 2. **Parent conferences.** The license holder must inform the parent of a child's progress and:

(1) complete individual assessments of each child's intellectual, physical, social, and emotional development at least twice a year. Individual assessments for school-age children must be completed at least once a year;

(2) plan and offer parent conferences by program staff at least twice a year to review and discuss the child's assessment. Parent conferences for school-age children must be planned and offered at least once a year; and

(3) maintain documentation of the child's assessment and that individual parent conferences were planned and offered in each child's record.

Subd. 3. **Daily reports for infants and toddlers.** Daily written individualized reports must be provided to the parent of an infant or toddler about the child's food intake, elimination, sleeping patterns, and general behavior.

Sec. 21. **[142H.21] PARENT VISITATION AND ACCESS TO PROGRAM.**

(a) The center must have a parent visitation and access policy that meets the requirements of this section at a minimum.

(b) An enrolled child's parent must be allowed access to their child at any time while the child is in care unless a legal restriction or court order restricts access.

(c) A copy of the order or other legal restriction in paragraph (b) must be kept in the child's record.

Sec. 22. **[142H.22] CONSENT FOR RESEARCH, CAMERAS, AND SOCIAL MEDIA PARTICIPATION.**

Subdivision 1. **Policy.** A center must have and follow a policy governing the center's use of social media and the use of photos and videos of children in care. The policy must include:

(1) procedures for obtaining written consent from parents for release of photos and videos of children for promotional or publicity purposes; and

(2) a statement prohibiting any employee or volunteer from posting content of children in care or enrolled families on a personal social media account or public digital platform, including photos, videos, or personal identifying information of the children.

Subd. 2. **Participation in research, fundraising, or public relations projects.** (a) The license holder must obtain written permission from a parent before a child is involved in research, fundraising, or public relations projects while at the center. A separate written permission form must be obtained before each occasion of a research, fundraising, or public relations activity.

(b) The permission form must be maintained in the child's record.

Sec. 23. **[142H.23] EMERGENCY AND ACCIDENT POLICIES AND RECORDS.**

Subdivision 1. **Emergency preparedness plan.** (a) An applicant must develop a written plan for emergencies that require evacuation, relocation, sheltering in place, or lockdown resulting from a fire, blizzard, tornado or other natural disaster, or other threatening situations that may pose a health or safety hazard to a child, such as an intruder or violence at the facility. A license holder must carry out the emergency plan during emergencies. The plan must be written on a form developed by the commissioner and include:

(1) procedures for an evacuation, including building evacuation routes and identification of primary and secondary exits;

(2) procedures for relocation, including a designated relocation site;

(3) procedures for sheltering in place and lockdown;

(4) procedures for notifying a child's parent of an evacuation, relocation, sheltering in place, or lockdown, including procedures for reunification with families;

(5) accommodations for a child with a disability or a chronic medical condition;

(6) accommodations for infants and toddlers;

(7) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;

(8) procedures for continuing operations in the period during and after a crisis; and

(9) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities.

(b) A license holder must review and update the emergency plan at least once each calendar year and as needed when changes to the circumstances or facilities necessitate an updated plan. Documentation of the yearly review and when changes are made must be maintained in the program's administrative records.

(c) Program staff must be trained on the emergency plan at orientation as specified under section 142H.09 when changes are made to the plan and at least once each calendar year. Training must be documented and maintained on site.

(d) A center must have an operable on-site flashlight for use in an emergency situation. A cell phone may not be used to meet this requirement.

(e) A license holder must conduct fire drills every month and hold tornado drills monthly from April 1 through September 30. Fire and tornado drills must be documented and include the date of the drill, the start and end time of the drill, and the name of the program staff person completing the documentation. Documentation must be maintained in the program's administrative records.

(f) Primary and secondary exits and evacuation routes must remain unblocked.

Subd. 2. **Emergencies, accidents, incidents, and injuries.** (a) The policies and procedures for emergencies, accidents, incidents, and injuries must include:

(1) procedures for administering first aid;

(2) procedures for the daily inspection of potential hazards;

(3) procedures for fire prevention and procedures to follow in the event of a fire, persons responsible for the evacuation of children and areas for which they are responsible, instruction on how to use a fire extinguisher, and instructions on how to close off the fire area;

(4) procedures to follow when a child is missing, including when a school-age child does not arrive at the center when expected after school;

(5) procedures to follow if a person who is unknown, unauthorized, incapacitated, or suspected of abuse attempts to pick up a child or if no one comes to pick up a child. The procedure must include a practice for verifying a person's identity;

(6) procedures for obtaining emergency medical care; and

(7) procedures for recording emergencies, accidents, incidents, and injuries involving a child enrolled in the center. The written record must include:

(i) the name and age of the child involved;

(ii) the name of employees or volunteers present;

(iii) the date, time, and place of the emergency, accident, incident, or injury;

(iv) the type of injury;

(v) actions taken by staff; and

(vi) to whom the emergency, accident, incident, or injury was reported.

(b) At a minimum, the emergency, accident, incident, or injury must be reported in writing to the parent and as otherwise required in section 142H.28.

(c) Each calendar year, the license holder must conduct an analysis of the emergencies, accidents, incidents, and injuries that have been documented pursuant to paragraph (a), clause (7). Documentation of the yearly analysis and any modification of the center's policies based on the analysis must be maintained in the program's administrative records.

(d) The license holder must post a facility floor plan in a visible location in each classroom and other areas in the facility where child care is provided. The posted floor plan in each area must include:

(1) identification of primary and secondary exits;

(2) building evacuation routes;

(3) identification of tornado shelter and other shelter-in-place locations;

(4) identification of staff positions responsible for the evacuation or sheltering of children;

(5) the name and address of the designated relocation site; and

(6) phone numbers and sources of emergency medical services, the poison control center, the fire department, and the department's licensing division.

(e) The license holder must ensure program staff are trained on the emergency, accident, incident, and injury policies and procedures at orientation as required in section 142H.09 when changes are made to the policies and procedures and at least once each calendar year. Training must be documented and maintained on site.

Sec. 24. **[142H.24] SUPERVISION AND RISK REDUCTION.**

Subdivision 1. **Supervision; sight and hearing exceptions.** (a) A child is still supervised as defined in section 142H.01, subdivision 38, when:

(1) an infant is placed in a crib to sleep and a program staff person is within sight or hearing of the infant pursuant to section 142H.12, subdivision 4;

(2) a single school-age child uses a restroom that is not available to the public when the child care center is operating and serving children and a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes. When services are provided away from the child care facility, including but not limited to field trips, a school-age child who uses a restroom that is available to the public must be accompanied by a program staff person;

(3) a school-age child leaves the classroom but remains within the licensed child care center space to deliver or retrieve items from the child's personal storage space and a program staff person has knowledge of the child's activity and location and checks on the child at least every five minutes; or

(4) a single preschool child uses an individual, private restroom within the classroom with the door closed and a program staff person has knowledge of the child's activity and location, can hear the child, and checks on the child at least every five minutes. A shared restroom between two separate rooms that has a door into each room is not considered an individual, private restroom for the purposes of this clause.

(b) A program must account for each exception in paragraph (a) in the risk reduction plan under subdivision 2.

Subd. 2. **Risk reduction plan.** (a) The license holder must develop a risk reduction plan that identifies the general risks to children served by the child care center in a form and manner prescribed by the commissioner.

(b) The license holder must establish procedures to minimize identified risks, train staff on the procedures, and review the procedures each calendar year.

(c) The risk reduction plan must include an assessment of risk to children the center serves or intends to serve and identify specific risks based on the outcome of the assessment. The assessment of risk must be composed of:

(1) an assessment of the risks presented by the facility where the licensed services are provided, including an evaluation of:

(i) the condition and design of the facility and its outdoor space, bathrooms, and storage areas;

(ii) the accessibility of medications and cleaning products that are harmful to children; and

(iii) the existence of areas that are difficult to supervise; and

(2) an assessment of the risks presented by the environment for each facility and for each site, including an evaluation of the type of grounds and terrain surrounding the building and the proximity to hazards, busy roads, and publicly accessed businesses.

(d) The risk reduction plan must include a statement of measures that will be taken to minimize the risk of harm presented to children for each risk identified in the assessment under paragraph (c) related to the facility and environment.

(e) In addition to any program-specific risks identified in paragraph (c), the plan must include specific policies and procedures that minimize the risk of harm or injury to children, including from:

(1) closing children's fingers in doors, including cabinet doors;

(2) leaving children in the community without supervision;

(3) children leaving the facility without supervision;

(4) dislocation of children's elbows by program staff pulling or lifting children by the hands or wrists or swinging by the arms;

(5) burns, including from hot food or beverages, whether served to children or being consumed by program staff, and devices used to warm food and beverages;

(6) injuries from equipment, such as scissors and glue guns;

(7) sunburn;

(8) feeding children foods to which they are allergic;

(9) children falling from changing tables;

(10) children accessing dangerous items or chemicals or coming into contact with residue from harmful cleaning products;

(11) traffic and pedestrian accidents, including when walking with children on neighborhood walks, to an off-site outdoor play area, or in areas with heavy traffic or difficult terrain such as railroad tracks; and

(12) children choking or suffocating.

(f) The plan must ensure hazardous objects as defined in section 142H.34, subdivision 17, are inaccessible to children.

(g) The plan must include specific policies and procedures to ensure adequate supervision of children at all times as defined in subdivision 1 and section 142H.01, subdivision 38, and pursuant to the staffing requirements of section 142H.10, subdivision 1, with particular emphasis on:

(1) times when children are transitioned from one area within the facility to another, including the use of a name-to-face check during transition time;

(2) nap-time supervision, including infant sleep supervision;

(3) child arrival and departure times, including when children arrive or depart from the center by bus;

(4) supervision during outdoor play, outdoor learning activities, and community activities, including but not limited to field trips and neighborhood walks;

(5) supervision of children in hallways;

(6) supervision of preschool children when using an individual private restroom within the classroom; and

(7) supervision of school-age children when using the restroom and visiting the child's personal storage space.

Subd. 3. **Yearly review of risk reduction plan.** (a) The license holder must review the risk reduction plan each calendar year and document the review.

(b) When conducting the review, the license holder must consider incidents that have occurred in the center since the last review, including:

(1) incidents covered by the assessment factors in subdivision 2;

(2) the internal reviews conducted under section 142H.36, if any;

(3) substantiated maltreatment findings, if any; and

(4) any other incidents that caused injury or harm to a child.

(c) Within ten days following any change to the risk reduction plan, the license holder must train program staff on the change and document that the staff were trained on the change.

Sec. 25. **[142H.25] CENTER ADMINISTRATIVE RECORDS.**

(a) In addition to the personnel records requirements under section 142B.03, subdivision 1, paragraph (a), a center must maintain the following records:

(1) a record of the information given to parents specified in section 142H.20;

(2) the personnel records specified in section 142H.26;

(3) the children's records specified in section 142H.27;

(4) health consultant reviews of the center's health policies and practices as specified in section 142H.29, subdivision 2;

(5) the child care program plan specified in section 142H.11;

(6) the emergencies, accidents, incidents, and injuries records specified in section 142H.23, subdivision 2;

(7) the child separation reports mandated in section 142H.13;

(8) daily center and classroom attendance records specified in section 142H.30; and

(9) staffing schedules.

(b) The requirements in section 142B.03, subdivisions 1 and 2, apply to records retained pursuant to this section.

Sec. 26. **[142H.26] PERSONNEL RECORDS.**

A license holder must maintain a current personnel record for each program staff person in a manner prescribed by the commissioner and consistent with section 142B.03. The personnel record for each program staff person must contain:

(1) the program staff person's name, home address, telephone number, date of birth, and emergency contact information;

(2) the program staff person's first date of direct contact and first date of unsupervised direct contact with a child;

(3) documentation indicating that the program staff person meets the requirements of the staff person's job in sections 142H.05 to 142H.08; and

(4) the program staff person's hire date and last day of employment, as applicable.

Sec. 27. **[142H.27] CHILDREN'S RECORDS.**

Subdivision 1. **Requirements.** Prior to or on the day of enrollment in the center, the license holder must maintain a record on site for each child served by the program. The record must contain:

(1) the child's full name, date of birth, and current home address;

(2) the child's date of enrollment in the program;

(3) the name, address, and telephone number of the child's parent;

(4) the name and telephone number of at least one emergency contact person who can be contacted if a parent cannot be reached in an emergency or when there is an injury requiring medical attention;

(5) the names and telephone numbers of any additional persons authorized by the parent to pick up the child from the center;

(6) the child's health and immunization information required by section 142H.29, subdivisions 3 and 4;

(7) written authorization for the license holder to act in an emergency or when a parent or designee cannot be reached or is delayed;

(8) the hours and days of the week the child will attend the center;

(9) for infants and toddlers, a description of the child's eating, sleeping, toileting, and communication habits and effective methods for comforting the child;

(10) documentation of any dietary or medical needs of the child;

(11) documentation of a child's individual child care program plan as required by section 142H.15; and

(12) the date of parent conferences and a summary of the information provided to the parent at the conferences.

Subd. 2. **Disclosure.** The license holder must not disclose a child's record to any person other than the child, the child's parent, the child's legal representative, employees of the license holder, or the commissioner unless the child's parent has given written consent. This subdivision does not apply to information needed by a first responder in the case of an emergency.

Sec. 28. **[142H.28] REPORTING REQUIREMENTS.**

Subdivision 1. **Maltreatment, abuse, and neglect reporting.** The license holder must comply with the reporting requirements for abuse and neglect specified in chapter 260E.

Subd. 2. **Other reporting.** Within 24 hours, the license holder must notify the commissioner of the following in a manner prescribed by the commissioner:

(1) of the death or notification of the death of a child enrolled in the center as required under section 142B.10, subdivision 24;

(2) of the occurrence or notification of any injury to a child in care in the program that required treatment by a dentist or health care provider as defined in section 142H.01, subdivision 22. Treatment does not include application of or recommendation to use nonprescription medication or diagnostic testing;

(3) of the occurrence of structural damage to the building or a fire that requires the service of a fire department; and

(4) of the provision of any emergency medical service to a child while in care.

Sec. 29. **[142H.29] HEALTH.**

Subdivision 1. **Health policies.** An applicant must develop written health policies approved by the commissioner.

Subd. 2. **Health consultation.** (a) The center must have a health consultant as defined in section 142H.01, subdivision 23, review the center's health policies and practices in person and certify that the policies and practices are adequate to protect the health of children in care.

(b) The health consultant's review, including an on-site visit, must be done before initial licensure and must be repeated each calendar year.

(c) For programs serving infants, an in-person review must be done before initial licensure and at least quarterly thereafter. At least every other quarter, a health consultant may conduct the health review visit virtually.

(d) A health consultant must review the center's health policies and practices before implementing a change in the center's health policies or practices and after an outbreak of a contagious reportable illness as specified in Minnesota Rules, parts 4605.7040, 4605.7050, and 4605.7080.

(e) The consultant must review and approve:

(1) the emergencies, accidents, incidents, and injuries policies and procedures required by section 142H.23, subdivision 2;

(2) the diapering procedures and practices specified in subdivision 6;

(3) the programs' cleaning and disinfecting products and procedures; and

(4) the sanitation procedures and practices for food catered in or provided by the child's parent as specified in section 142H.32, subdivision 6, and for infants as specified in section 142H.32, subdivision 11.

Subd. 3. **Health information at admission.** Before a child is admitted to a center or within 30 days of admission, the license holder must obtain a report on a current physical examination of the child signed by the child's health care provider.

Subd. 4. **Immunizations.** (a) Before a child is admitted to a center, the license holder must obtain documentation of current immunization records according to section 121A.15 and Minnesota Rules, chapter 4604; a signed notarized statement of parental objection to the immunization; or a medical exemption. The license holder must maintain record of current immunizations, a signed notarized statement of parental objection to the immunization, or a medical exemption throughout the child's enrollment at the center.

(b) License holders must file an immunization report each calendar year with the Department of Health, as required under the Minnesota School and Child Care Immunization Law, section 121A.15, subdivision 8, and Minnesota Rules, part 4604.0410.

Subd. 5. **Administration of medication.** (a) A license holder that administers medication must:

(1) get written permission from the child's parent before administering medication;

(2) get written permission from the child's parent before administering items that may be applied externally, including but not limited to diapering products, sunscreen lotions, hand sanitizer, lip balm, body lotion, and insect repellents. Items under this clause must be administered according to the manufacturer's instructions unless a dentist or health care provider gives alternative written instructions;

(3) get and follow written instructions from a dentist or a health care provider before administering each prescription. Medication with the child's name and current prescription information on the label constitutes instructions;

(4) follow written dosage instructions from a child's parent or health care provider for over-the-counter medication that is intended to be ingested and does not include dosage information within the manufacturer's instructions;

(5) keep all medication in its original container and have a legible label stating the child's first and last name. The medication must be given only to the child whose name is on the label, unless as described in paragraph (b);

(6) not give medication after an expiration date on the label, return any unused portion to the child's parent if possible, and destroy any unused portion that cannot be returned;

(7) document the administration of any ingested nonprescription medication and all prescription medication. The documentation must include the first and last name of the child, name of the

medication or prescription number, date, time, dosage, and printed name and signature or initials of the person who administered the medication. This documentation must be available to the parent and maintained in the child's record;

(8) store all medications, insect repellents, sunscreen lotions, and diaper rash control products according to directions on the original container and in a place inaccessible to children; and

(9) not use herbal remedies and essential oils, unless prescribed or recommended by a dentist or a health care provider. If these are administered, they must be administered in compliance with the requirements of this subdivision.

(b) Sunscreen lotions and insect repellents supplied by the license holder may be used on more than one child and must be labeled for use for all children. A product to control or prevent diaper rash, including premoistened commercial wipes that cannot be dispensed in a manner that prevents cross contamination of the product and container as determined by the health consultant, must be labeled with the child's first and last name and used only for the individual child whose name is written on the label.

Subd. 6. **Diapers, changing areas, and disposal.** Sanitary diaper procedures must be used to reduce the spread of communicable disease. A license holder must:

(1) make an adequate supply of clean diapers available for each child and store the diapers in a clean place;

(2) change diapers following the diaper changing procedure reviewed and approved by the center's health consultant pursuant to subdivision 2, paragraph (e), clause (2);

(3) post diaper changing procedures reviewed and certified by the center's health consultant in the diaper changing area;

(4) keep children in diapers clean and dry. Diapers and clothing must be changed immediately or as soon as practicable when wet or soiled. Soiled clothing must be placed in a plastic bag and sent home with the parent daily;

(5) use single-service wipes for cleaning a wet or soiled child;

(6) clean and disinfect changing tables and changing pads between children;

(7) use smooth, nonabsorbent surfaces for the diaper changing area and flooring;

(8) require the program staff person to maintain a hand on the child at all times during diapering. Children must not be left unattended on the changing table;

(9) clean and disinfect diaper changing areas, including but not limited to counters, sinks, and floors, daily or immediately when soiled;

(10) keep a covered diaper disposal receptacle lined with a disposable plastic bag in the diaper changing area. Diapers cannot be disposed of in a kitchen disposal area;

(11) empty, clean, and disinfect diaper receptacles daily or more often as needed; and

(12) only change a diaper in the diaper changing area. The diaper changing area must be separate from areas used for food storage, food preparation, and eating.

Subd. 7. **Hand washing; child.** (a) A child's hands must be washed with soap and water after a diaper change, after use of a toilet or toilet training chair, and immediately before eating a meal or snack.

(b) Program staff must monitor hand washing and assist a child who needs help.

(c) The use of a common basin or a hand sink filled with standing water is prohibited.

(d) Hands must be dried on a single-use towel or warm air hand dryer. The use of a common or shared cloth or towel is prohibited.

(e) In sinks accessible to children, the water temperature must not exceed 120 degrees Fahrenheit to prevent children from scalding themselves while washing.

(f) A hand sanitizer with at least 60 percent alcohol may be used to clean a child's hands when soap and water are unavailable.

Subd. 8. **Hand washing; program staff.** Program staff must wash their hands with soap and water after changing a child's diaper, after assisting a child on the toilet, after washing the diapering surface, after using toilet facilities, and before handling food or eating. Hands must be dried on a single-use towel or warm air hand dryer. The use of a common or shared cloth or towel is prohibited. Program staff may use a hand sanitizer with at least 60 percent alcohol when soap and water are unavailable.

Subd. 9. **First aid kit.** The license holder must have a first aid kit that is accessible in the center at all times and whenever children are off site that includes:

(1) adhesive bandages in assorted sizes and tape;

(2) sterile compresses;

(3) elastic bandage wrap;

(4) scissors;

(5) ice bag or cold pack;

(6) digital thermometer;

(7) mild liquid soap or hand sanitizer that is at least 60 percent alcohol;

(8) bottled water;

(9) disposable powder-free, latex-free gloves;

(10) face shield or protective barrier for giving CPR; and

(11) first aid instructions.

Subd. 10. **Handling and disposal of bodily fluids.** A license holder must comply with the following procedures for safely handling and disposing of bodily fluids:

(1) surfaces that come in contact with urine, feces, vomit, and blood must be cleaned and disinfected;

(2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

(3) sharp items used for a child with special care needs must be disposed of in a sharps container. The sharps container must be inaccessible to a child when stored;

(4) the license holder must have bodily fluid disposal supplies in the center, including disposable gloves, disposal bags, and eye protection; and

(5) each employee and volunteer must follow universal precautions to reduce the risk of spreading infectious disease.

Subd. 11. **Tobacco products, vaping, drugs, and alcohol use prohibitions.** (a) A license holder must comply with the drug and alcohol policy requirements in section 142B.10, subdivision 1, paragraph (c), including ensuring that no employee, subcontractor, or volunteer is under the influence of a chemical that impairs the individual's ability to provide services or care.

(b) The possession or use of marijuana, products containing THC, alcohol, and illegal drugs is prohibited on the premises of the program during operating hours, including all indoor and outdoor licensed program environments and in any vehicles used by the program.

(c) The use of tobacco products, vaping devices, and electronic cigarettes is prohibited indoors, in vehicles used by the program, and in outdoor areas where children are present.

(d) The license holder must post in a prominent location at the main entrance of the center a notice stating that use of tobacco products is prohibited inside the building and in outdoor areas where children are present.

Sec. 30. **[142H.30] ATTENDANCE RECORDS.**

Subdivision 1. **Attendance records.** A child care center must maintain documentation of actual attendance for each child receiving care. The records must be accessible to the commissioner during the program's hours of operation, be completed on the actual day of attendance, and include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

Subd. 2. **Daily classroom tracking.** (a) A license holder must ensure that program staff track children in their classroom on a daily basis to ensure the center has an active roster of children present in their classroom.

(b) Children must be tracked as they arrive in and depart from the classroom.

(c) Tracking must include the first and last name of each child.

(d) The classroom tracking documentation must remain with each group at all times throughout the day including outdoor play, emergency evacuations, field trips, and when groups are combined.

Sec. 31. **[142H.31] CLEANING, SANITIZING, AND DISINFECTING.**

Subdivision 1. **Products and procedures.** Cleaning and disinfecting must be done in accordance with policies, procedures, and products approved by the program's health consultant as specified in section 142H.29, subdivision 2.

Subd. 2. **Indoor and outdoor equipment.** (a) The indoor and outdoor space and equipment of the program must be clean.

(b) Natural elements and materials used as equipment and play materials under section 142H.14, subdivision 4; natural features used for outdoor play under section 142H.34, subdivision 7, paragraph (h); and play materials used in outdoor settings are exempt from being clean, as defined under section 142H.01, subdivision 12. A program staff person must inspect natural elements and materials, natural features, and play materials used for outdoor play for hazardous objects and other safety hazards, including animal feces, and remove or mitigate the hazard before a child's use.

Subd. 3. **Pacifiers.** Pacifiers must be labeled with each child's name or other individual identifier and stored separately.

Subd. 4. **Cleaning frequency.** The license holder must develop and follow a cleaning schedule that requires:

(1) cleaning and sanitizing food preparation areas, tables, high chairs, and food service counters before and after each meal and snack. Sanitizing must be done by using an Environmental Protection Agency-registered sanitizer or a bleach solution or by heating to temperatures sufficient to destroy most germs, pursuant to guidelines from the commissioner of health on infectious diseases in child care settings;

(2) cleaning and sanitizing items that have been inside a child's mouth or come into contact with bodily fluids prior to being used by another child;

(3) cleaning sleeping equipment and bedding, including:

(i) washing bedding used by a child before being used by another child;

(ii) washing bedding used by the same child weekly or when soiled;

(iii) cleaning and disinfecting sleeping equipment used by a child before being used by another child; and

(iv) cleaning and disinfecting sleeping equipment used by the same child weekly or when soiled;

(4) cleaning toileting areas daily, including:

(i) emptying and disinfecting toilet training chairs after each use; and

(ii) disinfecting toilets and seats when soiled or at least daily; and

(5) emptying garbage cans and diaper receptacles on a daily basis and cleaning and disinfecting the cans and receptacles as needed.

Sec. 32. **[142H.32] FOOD, DRINKING WATER, AND NUTRITION.**

Subdivision 1. **On-site food preparation.** A license holder that prepares, handles, or serves food or washes food, utensils, or equipment on site must comply with applicable requirements for food and beverage service establishments in chapter 157 and Minnesota Rules, chapter 4626, and local health department requirements.

Subd. 2. **Off-site food preparation.** (a) Meals or snacks may be provided by an off-site, licensed food and beverage service establishment.

(b) The center must maintain on file a copy of the off-site food and beverage service establishment's current license and the contract to provide food for the center.

Subd. 3. **Providing food.** A license holder must provide meals and snacks to the children in attendance. The license holder must supplement food provided by the parent if it does not meet United States Department of Agriculture Child and Adult Care Food Program (CACFP) nutritional requirements.

Subd. 4. **Drinking water.** (a) The center must have a safe supply of drinking water pursuant to section 142H.35.

(b) Drinking water must be available to children throughout the hours of operation and offered at frequent intervals. Drinking water for children must be provided in single-service drinking cups, in reusable water bottles, in reusable cups, or from drinking fountains accessible to children.

(c) A license holder may provide drinking water to a child in a reusable water bottle or reusable cup if the center develops and ensures implementation of a written policy that at a minimum includes the following procedures:

(1) each day the water bottle or cup is used, the license holder must clean the water bottle or cup or allow the child's parent to bring the water bottle or cup home to clean it;

(2) a water bottle or cup must be assigned to a specific child and labeled with the child's first and last name;

(3) water bottles and cups must be stored in a manner that reduces the risk of a child using the wrong water bottle or cup; and

(4) a water bottle or cup must be used only for water.

Subd. 5. **Menus.** The license holder must ensure:

(1) meals and snacks prepared or provided by the license holder or catered by a licensed food and beverage caterer comply with the meal pattern and nutritional requirements contained in the most current edition of the CACFP standards in Code of Federal Regulations, title 7, section 226.20;

(2) menus comply with the meal pattern and nutritional requirements contained in the most current edition of the CACFP standards in Code of Federal Regulations, title 7, section 226.20;

(3) the current menu is posted or made readily available to parents; and

(4) any food substitutions are noted on the menu at the time of the change.

Subd. 6. **Sanitation.** (a) Procedures for preparing, handling, storing, and serving food and washing food, utensils, and equipment must comply with the requirements for food and beverage establishments in Minnesota Rules, chapter 4626.

(b) If the food is prepared off site by another facility or if food service is provided according to a contract with a food service provider, the facility or license holder must ensure that food is prepared in compliance with Minnesota Rules, chapter 4626.

(c) The license holder must provide refrigeration for dairy products and other perishable foods, whether supplied by the license holder or supplied by the parent. The refrigeration must have a temperature of 41 degrees Fahrenheit or less.

Subd. 7. **Meals and snacks.** Except for infants under subdivision 11, the license holder must serve meals and snacks to children as follows:

(1) one snack for a child in attendance for two to five hours;

(2) one meal and two snacks or two meals and one snack for a child in attendance for five to ten hours;

(3) a minimum of two meals and two snacks for a child in attendance for more than ten hours; and

(4) a minimum of three meals and two snacks for a child in attendance for more than 14 hours.

Subd. 8. **Prescribed diet requirements.** (a) If a child is unable to follow the CACFP meal pattern requirements due to a diet-related medical condition, a prescribed diet accommodation is required.

(b) The license holder must obtain documentation from the child's health care provider about the child's special dietary needs and keep that information current. The license holder must use this information to accommodate the child's dietary needs.

(c) When a license holder enrolls a child who requires a prescribed diet, the license holder must ensure that an individual child care program plan is developed and maintained in the child's record, pursuant to sections 142H.15, subdivision 3, and 142H.27.

(d) The license holder must provide for a child's prescribed dietary needs or require the parent to provide the prescribed diet items that are not part of the center's menu plan.

Subd. 9. **Cultural or religious diet accommodations.** (a) When special diets are requested for cultural or religious reasons, the center must obtain written, dated, and signed instructions from the child's parent on how to accommodate the diet.

(b) The license holder must provide for a child's special diet for cultural or religious reasons or require the parent to provide the food items that are not part of the center's menu plan.

Subd. 10. **Food allergy information.** Information about food allergies of the children in the center must follow the requirements in section 142H.15, subdivision 5.

Subd. 11. **Infant food and feeding schedule.** The diet and feeding schedule of an infant must be determined by the infant's parent. The license holder of a center serving infants must:

(1) obtain written dietary instructions from the parent of the child that are used to develop the infant's feeding schedule and are updated as needed as the child's feeding needs change;

(2) have each individual infant's feeding schedule available in the food preparation area;

(3) offer the child formula or milk and nutritionally adequate solid foods in quantities at specified time intervals as determined by the parent;

(4) ensure infants are held or fed sitting up for bottled feedings. A bottle must not be propped at any time for an infant or fed to an infant in a crib, infant seat, or playpen;

(5) use sanitary procedures and practices to prepare, handle, and store formula, milk, breast milk, solid foods, and supplements, including having procedures to ensure bottles are matched to the correct infant. Procedures must be reviewed and certified by a health consultant;

(6) not warm or heat bottles in a microwave;

(7) not allow children access to bottle-warming devices; and

(8) label all bottles, breast milk, or prepared parent-provided food with the child's first and last name and date of preparation. All formula must be refrigerated immediately after preparation or upon arrival if the formula is prepared by the parent.

Subd. 12. **Additional requirements.** (a) The center must serve food that is not a choking hazard and that is developmentally appropriate in size, amount, and texture.

(b) Program staff must be seated with the children during meal and snack times.

Sec. 33. **[142H.33] TRANSPORTATION AND FIELD TRIP REQUIREMENTS.**

Subdivision 1. **Requirements.** A license holder that provides transportation for children or that takes children off site must comply with the requirements in this section.

Subd. 2. **Driver requirements.** (a) A driver who transports children for a license holder must:

(1) be at least 18 years old;

(2) hold a current and valid driver's license appropriate to the vehicle used to transport children;

(3) have a copy of the driver's current driver's license on file at the center;

(4) be free from the influence of any substance that could impair driving abilities; and

(5) follow seat belt and child passenger restraint system requirements under sections 169.685 and 169.686.

(b) Parents who are not employed by the center who use personal vehicles for transportation to occasional field trips do not have to meet the requirements of paragraph (a), clause (3). For the purposes of this subdivision, "occasional" means three or fewer times per calendar year.

Subd. 3. **Requirements during transportation.** (a) One program staff is required per vehicle when transporting school-age children. Two program staff are required per vehicle when transporting infants, toddlers, and preschoolers. An additional program staff person is required in the vehicle if there are 12 or more infants and toddlers. The driver of the vehicle is considered a program staff person, unless the driver is employed by a contractor or third party.

(b) A two-way communication system and first aid kit must be present in the vehicle during transportation.

(c) Once children have exited, the vehicle must be checked to ensure that no child has been left in the vehicle.

(d) When the license holder provides transportation to and from the center, children must not be transported more than one hour per one-way trip.

(e) When children board or exit the vehicle, the license holder must ensure that each child safely boards and exits the vehicle from the curb side of the street whenever physically possible and out of the path of moving vehicles.

(f) Drop off or pick up must be conducted in a safe manner with supervision by the program staff responsible for the child.

Subd. 4. **Field trip requirements.** (a) For the purposes of this section, a field trip is defined as any time the center takes children off the property, including routine outings such as walking around the neighborhood. A center providing transportation for children to and from the center is not considered a field trip.

(b) Staff-to-child ratios must be maintained on all field trips.

(c) Written permission must be obtained from each child's parent before taking a child on a field trip. The written permission form must be obtained before each field trip or on a form that yearly summarizes all field trips that will be taken. The permission forms must be kept on file at the center.

(d) The parent's written permission form must include:

(1) the date and destination of the field trip;

(2) the times of departure from and return to the facility;

(3) the method of transportation; and

(4) if the method of transportation is walking, an estimated total distance of the walk.

(e) Unscheduled neighborhood walks may be taken, provided the program has obtained advance written parental permission for the general plan for neighborhood walks.

(f) A child care program that includes daily or regular off-site outdoor activities in its child care program plan may use an annual permission form for these activities. Parents must be informed of specific destinations and any substantial changes to the general plan outlined in the annual permission form through the child care program's regular communication methods. The annual permission form must include the following information:

(1) the general geographic area or areas where the off-site outdoor activities will occur;

(2) the general hours during which off-site activities may occur;

(3) the typical method of transportation; and

(4) the typical maximum distance of walks, if the method of transportation is walking.

(g) When centers take children on a walk or field trip, program staff must bring:

(1) a first aid kit as required under section 142H.29, subdivision 9;

(2) a child's allergy information as required under section 142H.15, including the individual child care program plan;

(3) the name and telephone number of each child's parent and at least one emergency contact person;

(4) medication and supplies needed for a child who has a health condition that could need medication, special procedures, or precautions during the course of the trip; and

(5) a working cell phone or other means of immediate communication.

Sec. 34. **[142H.34] FACILITY.**

Subdivision 1. **Occupancy designation.** (a) At initial licensure, an applicant must demonstrate compliance with the standards specified by the State Building Code and any applicable local building ordinances.

(b) Prior to the child care facility being remodeled, substantially improved, renovated, or reconstructed, the license holder must verify whether approval from the applicable state or local building officials is needed. If needed, the license holder must obtain written verification of compliance with the State Building Code and any applicable local building ordinances.

Subd. 2. **Fire inspection.** (a) The center must be inspected by a fire marshal within 12 months prior to initial licensure. The commissioner must not grant an initial license until receiving written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(b) The center must have a fire inspection at least once every five calendar years from the date of the last fire inspection report. The fire inspection must include written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(c) Prior to the use of any areas of the structure not previously inspected and approved for child care use, the center must:

(1) receive written confirmation from the state fire marshal that approval from the state fire marshal is not needed; or

(2) conduct a fire inspection, which must include written approval of compliance with the State Fire Code from the fire marshal with jurisdiction.

(d) For centers holding a valid license as of July 1, 2027:

(1) centers initially licensed before January 1, 1998, must meet the requirement under paragraph (b) no later than July 1, 2029;

(2) centers initially licensed on or after January 1, 1998, but before January 1, 2013, must meet the requirement under paragraph (b) no later than July 1, 2030;

(3) centers initially licensed on or after January 1, 2013, but before January 1, 2021, must meet the requirement under paragraph (b) no later than July 1, 2031; and

(4) centers initially licensed on or after January 1, 2021, must meet the requirement under paragraph (b) no later than July 1, 2032.

(e) Centers that have already completed a fire inspection within five years of July 1, 2027, are exempt from paragraph (d).

Subd. 3. **Reinspection for cause.** If the commissioner has reasonable cause to believe that a potential hazard exists or the license holder is operating out of compliance with applicable codes, the commissioner may request another inspection and written report by a fire marshal, building official, or health authority.

Subd. 4. **Facility floor plan and designated areas.** (a) Indoor and outdoor space to be used for child care must be designated on a facility floor plan.

(b) Space designated on a facility floor plan must be exclusively used for child care by the center during the hours of operation.

(c) The initial application for licensure and the center's administrative record must contain a floor plan of the center. Precise scale drawings are not required. The plan must indicate:

(1) the dimensions and location of all areas of the center designated for the provision of child care including planned use of each area; and

(2) the size and location of areas used for outdoor activity.

Subd. 5. **Child's personal storage space.** A center must have storage space for each child's clothing and personal belongings. The space must be at a height appropriate for the age of the child.

Subd. 6. **Space for children who become sick.** (a) Space must be provided in the center for a child who becomes sick at a center not licensed to operate a sick care program under section 142H.19.

(b) The space must be separate from activity areas used by other children but may still be within the classroom.

(c) A cot, mat, or crib and blanket must be provided as appropriate to the developmental level of the child.

(d) The space must be supervised by a program staff person when occupied by a sick child.

Subd. 7. **Outdoor learning environment and play space.** (a) A center must provide or have available an outdoor activity area that complies with this subdivision unless licensed to exclusively provide night care as specified under section 142H.16, licensed to provide drop-in care as specified under section 142H.17, licensed to provide sick care as specified under section 142H.19, or operating for fewer than three hours a day.

(b) A center must have an outdoor activity area of at least 1,500 square feet, and there must be at least 75 square feet of space per child within the outdoor play area at any given time during use.

(c) The outdoor activity area must be enclosed if it is located adjacent to a hazard, including but not limited to traffic, rail, water, or machinery, unless the area is a public park or playground.

(d) An outdoor activity area used daily by children under school age must be within 2,000 feet of the center or transportation must be provided by the license holder. The outdoor activity area must not be farther than one-half mile from the center.

(e) The area must contain the outdoor equipment required under section 142H.14.

(f) The play area must be free of potential hazards, including but not limited to broken glass, toxic materials, machinery, unlocked vehicles, feces, and sewage contaminants.

(g) An energy-absorbing surface is required under installed climbing equipment, swings, and slides. An energy-absorbing surface can be loose sand, pea gravel, or mulch in a depth of at least nine inches; any material that meets ASTM F1292 specifications; or shredded rubber and poured energy-absorbing surfacing installed to manufacturer's specifications based on the height of the equipment. A fall zone is required around the equipment.

(h) Natural features used for outdoor play that are not installed as equipment are not subject to the requirements of paragraph (g). When a child uses natural features for outdoor play, a program staff person must remove hazardous objects as specified in subdivision 17 and mitigate hazards whenever possible from the surrounding area where children might fall. Natural features used for outdoor play must be appropriate to the age and size of children, in safe condition, and used under the supervision of a program staff person.

Subd. 8. **Indoor space.** A center must have a minimum of 35 square feet of indoor space available per child in attendance. Hallways, stairways, closets, utility rooms, restrooms, kitchens, and space occupied by cribs are not indoor space for the purposes of this subdivision. Twenty-five percent of the space occupied by furniture or equipment used by staff or children may be counted as indoor space.

Subd. 9. **Shielding of hot surfaces.** Heating appliances must be installed and maintained in accordance with the manufacturer's instruction and the State Building Code. Radiators, fireplaces, hot pipes, and other hot surfaces in areas used by children must be shielded or insulated to prevent burns.

Subd. 10. **Electrical outlets.** Except in a center that serves only school-age children, electrical outlets must be tamper proof or shielded when not in use.

Subd. 11. **Water hazards.** Bodies of water within or adjacent to the center must be inaccessible to children. When using a pool or beach, children must be supervised at all times.

Subd. 12. **Room temperature.** An indoor temperature of 68 degrees Fahrenheit to 82 degrees Fahrenheit must be maintained in all rooms used by children.

Subd. 13. **Hazardous areas.** Kitchens, stairs, and other hazardous areas must be inaccessible to children except during periods of supervised use.

Subd. 14. **Fire extinguisher inspection.** Fire extinguishers must be serviced by a qualified inspector at least once every 365 days. The name of the inspector and date of the inspection must be written on a tag attached to the extinguisher.

Subd. 15. **Toilet articles.** As needed, a license holder must provide and make available toilet paper, liquid hand soap, facial tissues, and single-use paper towels or warm air hand dryers.

Subd. 16. **Toilets and hand sinks.** (a) The center must have at least one hand sink for every 15 children in the center's licensed capacity.

(b) The center must have at least one toilet for every 15 children, excluding infants, in the center's licensed capacity. Toilet training chairs may be used for toddlers in lieu of a toilet.

(c) The center must provide handwashing sinks within three feet of the diaper changing surface. The sink must have hot and cold running water. In newly constructed centers or those undergoing major remodeling to the plumbing system, foot- or wrist-operated sinks must be provided in the diaper changing area.

(d) Any hand sink required for children other than infants must be in the toilet area. The temperature of hot water in the hand sinks used by children must not exceed 120 degrees Fahrenheit. Hand sinks for children must not be used for custodial work or food preparation, including preparing infant bottles. Single-service towels or air dryers must be available to dry hands and designed for easy use by children.

(e) Toilets, sinks, faucets, and hand-drying devices in the toilet area used by children under school age other than infants must be placed at a height appropriate to the ages of the children. A sturdy nonslip platform on which children may stand may be used to meet the height requirement in this paragraph for toddlers and preschoolers.

(f) Plungers and toilet-cleaning devices must be inaccessible to children.

Subd. 17. **Hazardous objects.** (a) The license holder must prevent children from accessing hazardous objects, including any item that could reasonably cause injury, choking, poisoning,

burning, cutting, or other harm to a child, or any item designated by the manufacturer to be stored out of reach of children.

(b) Activities that are part of the program plan may include the use of hazardous objects when supervised by program staff.

(c) Supplies and materials used by children must be labeled "nontoxic" by the manufacturer.

Subd. 18. **Telephone.** (a) A working telephone that is capable of making outgoing calls and receiving incoming calls must be located within the licensed child care center at all times. The telephone must be accessible to staff as needed and be sufficiently charged for use at all times.

(b) Program staff must have access to a working telephone while providing care and supervision to children in care outside of the child care facility.

Subd. 19. **Animals.** A license holder must:

(1) keep each animal housed in the program up to date on vaccines required for that species under state law or local ordinance and maintain documentation of vaccinations, if any;

(2) notify parents prior to their child's enrollment of the presence of animals in the program, before new animals are housed, and prior to any animals visiting the program;

(3) not let children handle animals without adult supervision; and

(4) notify the parent of a child whose skin is broken by an animal bite or scratch or who is otherwise injured by an animal in writing of the injury.

Subd. 20. **Pest control.** (a) Effective measures must be taken to protect the center against rodents and insects. If rodents, insects, or other pests are found, the license holder must take steps to remove or exterminate them. Chemicals, baits, and traps for insect and rodent control must not be used in areas accessible to children when children are present and must be used according to the manufacturer's instructions.

(b) Chemicals to control weeds, rodents, insects, and other pests must be used only after other means have been used for control, such as eliminating harborages, removing access to food, and sealing points of entry. These compounds must be used according to labeled instructions. If chemicals are used, the license holder must notify the parents of enrolled children what pesticide will be applied and where it will be applied no less than 48 hours before application, unless in cases of emergency. Only approved, United States Environmental Protection Agency-registered insecticides, rodenticides, and herbicides may be used. Application must strictly follow all label instructions and must be authorized by the director.

Subd. 21. **Posting license.** A license holder must post the license in a clearly visible place within the child care center that is accessible to parents and guardians.

Sec. 35. **[142H.35] ENVIRONMENTAL HEALTH.**

Subdivision 1. **Water supply.** A child care center must have a safe water supply. Child care centers that obtain water from privately owned wells or sources must test any water used for cooking

or drinking by a Department of Health-certified laboratory to verify safety. License holders must follow the lead testing requirements in section 145.9273.

Subd. 2. **Radon testing.** (a) The license holder must notify parents whether radon testing has been conducted in the program upon enrollment and within 30 days of any subsequent testing done after enrollment.

(b) When notifying parents, the license holder must use a form prescribed by the commissioner. The notice must include information from the Department of Health about what radon is and the potential risks associated with radon exposure. If testing has been completed, the notice must include:

(1) the date of the most recent test;

(2) the rooms or areas tested; and

(3) the detected radon level or levels, stated in picocuries per liter.

(c) A license holder must keep a copy of the most recent notice to parents and the radon test results on site and make the notice and results available to parents and the commissioner upon request. The provider may meet this requirement by posting the radon testing results in a conspicuous place.

Sec. 36. **[142H.36] MALTREATMENT OF MINORS INTERNAL REVIEW.**

If a license holder has reason to know that an internal or external report of alleged or suspected maltreatment has been made, the license holder must:

(1) establish and maintain policies and procedures to ensure that an internal review is completed within 30 calendar days and that corrective action is taken if necessary to protect the health and safety of children in care. The review must include an evaluation of whether:

(i) related policies and procedures were followed;

(ii) the policies and procedures were adequate;

(iii) there is a need for additional staff training;

(iv) the reported event is similar to past events with the children or the services involved; and

(v) there is a need for corrective action by the license holder to protect the health and safety of children in care;

(2) develop, document, and implement a corrective action plan designed to correct any current lapses and prevent future lapses in performance by individuals or the license holder, based on the results of the review;

(3) identify the primary and secondary person or position who will ensure that, when required, internal reviews are completed. The secondary person must be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment; and

(4) document and make internal reviews accessible to the commissioner immediately upon the commissioner's request. For the purposes of this section, the documentation provided to the commissioner by the license holder may consist of a completed checklist that verifies completion of each of the requirements of the review.

Sec. 37. Minnesota Statutes 2024, section 245A.211, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to all programs licensed or certified under this chapter, chapters 142C, 142H, 142I, 245D, 245F, 245G, and sections 245I.20 and 245I.23. The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Sec. 38. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must renumber Minnesota Statutes, section 142B.68, as Minnesota Statutes, section 142H.37.

(b) The revisor of statutes must make any necessary changes to statutory cross-references to reflect the changes in this article.

(c) The revisor of statutes must replicate the statutory history for all sections and subdivisions repealed and reenacted in this article.

Sec. 39. **REPEALER.**

(a) Minnesota Rules, parts 9503.0005; 9503.0010; 9503.0015; 9503.0030; 9503.0031; 9503.0032; 9503.0033; 9503.0034; 9503.0040; 9503.0045; 9503.0050; 9503.0055; 9503.0060; 9503.0065; 9503.0070; 9503.0075; 9503.0080; 9503.0085; 9503.0090; 9503.0095; 9503.0100; 9503.0105; 9503.0110; 9503.0115; 9503.0120; 9503.0125; 9503.0130; 9503.0140; 9503.0145; 9503.0150; 9503.0155; and 9503.0170, are repealed.

(b) Minnesota Statutes 2024, sections 142B.01, subdivisions 11, 12, 25, 26, and 27; 142B.41, subdivisions 6, 7, 10, 11, 12, and 13; 142B.54, subdivisions 1, 2, and 3; 142B.65, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and 142B.66, subdivisions 1, 2, 4, and 5, are repealed.

(c) Minnesota Statutes 2025 Supplement, sections 142B.65, subdivisions 8 and 9; and 142B.66, subdivision 3, are repealed.

Sec. 40. **EFFECTIVE DATE.**

This article is effective July 1, 2027.

ARTICLE 7

FAMILY CHILD CARE LICENSING MODERNIZATION

Section 1. **[142I.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms in this section have the meanings given.

Subd. 2. **Accessible to children.** "Accessible to children" means capable of being reached or used by a child without the aid of an adult.

Subd. 3. **Accredited.** "Accredited" means a postsecondary institution or technical college recognized and listed in the database of accredited postsecondary institutions and programs maintained by the federal Department of Education.

Subd. 4. **Adult.** "Adult" means a person at least 18 years of age.

Subd. 5. **Age categories.** (a) "Newborn" means a child from birth up to six weeks old.

(b) "Infant" means a child who is at least six weeks old but less than 12 months old.

(c) "Toddler" means a child who is at least 12 months old but less than 24 months old.

(d) "Preschooler" means a child who is at least 24 months old but less than five years of age.

(e) "School age" means a child who is at least five years of age but is less than 11 years of age.

Subd. 6. **Agency.** "Agency" means a county or multicounty social or human services agency governed by a county board or a multicounty human services board.

Subd. 7. **Annual or annually.** "Annual" or "annually" means at least once each calendar year.

Subd. 8. **Applicant.** "Applicant" has the same meaning as section 142B.01, subdivision 4.

Subd. 9. **Behavior guidance.** "Behavior guidance" means an ongoing process whereby caregivers offer constructive, positive, and developmentally appropriate guidance to children to help them manage their own behavior in a socially acceptable manner.

Subd. 10. **Bodily fluid.** "Bodily fluid" means urine, feces, vomit, blood, and other bodily fluids with blood present.

Subd. 11. **Building official.** "Building official" means the person appointed pursuant to section 326B.133 to administer the State Building Code or the building official's authorized representative.

Subd. 12. **Caregiver.** "Caregiver" means the license holder, primary provider of care, second adult caregiver, intermittent caregiver, helper, or substitute.

Subd. 13. **Child.** "Child" means a person receiving child care services who falls within the age categories in subdivision 5.

Subd. 14. **Child care.** "Child care" means the care of a child in a family child care program. This includes the children of the license holder and any other caregivers in the family child care program who receive child care during child care hours.

Subd. 15. **Child with special health care needs or disabilities.** "Child with special health care needs or disabilities" means a child who:

(1) has developmental disabilities or is otherwise eligible for case management as specified in Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) has been identified by the local school district as a child with a disability as specified in section 125A.02, subdivision 1; or

(3) has been determined to be a child with a disability by a health care provider as defined in subdivision 25.

Subd. 16. **Clean.** "Clean" means free from dirt or other contaminants that can be detected by sight, smell, or touch.

Subd. 17. **Commissioner.** "Commissioner" means the commissioner of children, youth, and families.

Subd. 18. **Community-based family child care program.** "Community-based family child care program" means a family child care program that operates at a location other than the primary residence of the license holder.

Subd. 19. **Department.** "Department" means the Department of Children, Youth, and Families.

Subd. 20. **Disinfect.** "Disinfect" means the chemical process to kill most germs and viruses on surfaces and objects after the surfaces and objects have been cleaned.

Subd. 21. **Emergency replacement.** "Emergency replacement" means an adult who supervises children in a family child care program due to an emergency and who has not completed the training requirements under this chapter or the background study requirements under chapter 245C.

Subd. 22. **Family child care program.** "Family child care program" means a child care program licensed under this chapter and chapter 142B operating from the license holder's residence or other approved space that serves up to 18 children and is provided for less than 24 hours a day.

Subd. 23. **Fire marshal.** "Fire marshal" means the person designated by section 299F.011 to administer and enforce the State Fire Code or a local fire code inspector approved by the fire marshal.

Subd. 24. **Hazardous materials.** "Hazardous materials" means any item that could reasonably cause injury, choking, poisoning, burning, cutting, or other harm to a child, or any item designated by the manufacturer to be stored out of reach of children.

Subd. 25. **Health care provider.** "Health care provider" means a physician or physician's assistant licensed to practice medicine under chapter 147; an advanced practice registered nurse licensed under section 148.171; or a licensed psychiatrist, licensed psychologist, or licensed consulting psychologist.

Subd. 26. **Helper.** "Helper" means a minor, 14 through 17 years of age, who assists an adult caregiver with the care of children.

Subd. 27. **Inaccessible to children.** "Inaccessible to children" means not capable of being reached or utilized by a child without the aid of an adult.

Subd. 28. **Intermittent caregiver.** "Intermittent caregiver" means an adult who cares for children in a family child care program alongside another adult caregiver for a cumulative total of no more than 500 hours annually.

Subd. 29. **License.** "License" has the meaning given in section 142B.01, subdivision 16.

Subd. 30. **License holder.** "License holder" has the meaning given in section 142B.01, subdivision 17, for a family child care program.

Subd. 31. **Licensed capacity.** "Licensed capacity" means the total number of children ten years of age or younger permitted at any one time on the premises of a family child care program. All children ten years of age or younger on the premises count toward the capacity of the family child care program.

Subd. 32. **Medication.** "Medication" means any substance or preparation that is used to prevent or treat a wound, injury, infection, or disease; maintain health; heal; or relieve pain, including substances purchased over the counter or prescribed by a health care provider or dentist. Medication includes substances taken internally or applied externally.

Subd. 33. **Owner or renter.** "Owner" or "renter" means the individual, individuals, organization, or government entity listed in the property title, deed, lease, or equivalent legal document.

Subd. 34. **Parent.** "Parent" means a person who has the legal responsibility for a child, such as the child's mother, father, or legally appointed guardian.

Subd. 35. **Pests.** "Pests" means any animals, insects, or other living creatures that are not housed within the family child care program and are considered harmful or detrimental to the health, safety, and well-being of individuals within a family child care program. This includes but is not limited to ants, rodents, cockroaches, bedbugs, or bats.

Subd. 36. **Pets.** "Pets" means all animals housed at the family child care program or that have contact with children.

Subd. 37. **Premises.** "Premises" means the indoor and outdoor space in which a family child care program is located.

Subd. 38. **Primary provider of care.** "Primary provider of care" means the person responsible for providing care to children during the hours of operation and operating a family child care program in compliance with all applicable laws and regulations under this chapter and chapters 142B and 245C. All individual license holders are primary providers of care, as are individuals designated under section 142I.22, paragraph (f).

Subd. 39. **Radon testing.** "Radon testing" means the measurement of radon gas levels in the indoor air of the building.

Subd. 40. **Related.** "Related" means any of the following relationships by marriage, blood, or adoption: a spouse, a parent, an adoptive parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, a grandparent, a grandchild, a sibling, an aunt, an uncle, or a legal guardian.

Subd. 41. **Second adult caregiver.** "Second adult caregiver" means an adult who cares for children in the family child care program for a cumulative total of more than 500 hours annually along with the primary provider of care or substitute caregiver.

Subd. 42. **Separation.** "Separation" is a form of behavior guidance that involves interruption of unacceptable behavior by the removal of a child from a situation with the intention of allowing the child an opportunity to pause and gain self-control. During a separation a child is not allowed to participate in activities with other children.

Subd. 43. **State Building Code.** "State Building Code" means the codes and regulations adopted by the commissioner of administration pursuant to section 326B.107 and contained in Minnesota Rules, chapter 1300.

Subd. 44. **State Fire Code.** "State Fire Code" means the codes and regulations adopted by the state fire marshal pursuant to section 299F.011 and contained in Minnesota Rules, chapter 7511.

Subd. 45. **Substitute.** "Substitute" means an adult who is responsible for the duties of a primary provider of care when the primary provider of care is not present at the family child care program. A substitute may not provide care for more than 500 hours per calendar year.

Subd. 46. **Supervision.** "Supervision" means:

(1) caregivers must be within sight or hearing of newborns, infants, toddlers, and preschoolers at all times and must intervene in an effort to protect the health and safety of the child. Electronic monitoring devices can only be used to monitor infants, toddlers, and preschoolers when they are asleep;

(2) for a school-age child, a caregiver is available for assistance and care without the aid of a mechanical or electronic device so that the child's health and safety is protected; and

(3) the caregiver has an awareness of and responsibility for the activity of each child and is near enough to respond and reach children immediately, including responding to the child's basic needs and intervening to protect them from harm.

Subd. 47. **Variance.** "Variance" means written permission from the county licensing unit pursuant to the requirements in section 142B.10, subdivision 16, paragraph (c) for a license holder or applicant to depart from a specific requirement in this chapter or chapter 142B.

Sec. 2. **[142I.02] LICENSING OF PROGRAMS.**

Subdivision 1. **Purpose.** The purpose of this chapter is to establish procedures and standards for licensing family child care and community-based family child care programs to ensure that minimum standards of care and service are given and the protection, care, health, safety, and development of the children are assured.

Subd. 2. **Applicability.** A family child care program must be licensed under this chapter and chapter 142B to operate in Minnesota.

Sec. 3. **[142I.03] LICENSING PROCESS.**

Subdivision 1. **License application.** (a) An applicant for a family child care license must follow the requirements of this section and section 142B.10.

(b) Applicants must use the application issued by the department. The application must be made in the county where the family child care program will operate.

(c) Applicants must be the proposed license holders of the family child care program.

(d) An application for licensure is complete and ready for the agency's review after the applicant completes, signs, and submits all department forms and documentation needed for licensure to the agency and the agency receives all inspection, zoning, evaluation, and investigative reports, documentation, and information required to verify compliance with this chapter and applicable statutes, including a completed background study for individuals subject to a study, as required under chapter 245C.

Subd. 2. **Licensing study.** (a) The applicant must give the agency access to the family child care program for a licensing study to determine compliance with all applicable rules and statutes.

(b) If the commissioner determines a potentially hazardous condition exists due to noncompliance with this chapter or local ordinances, the applicant must obtain an inspection from a fire marshal, building official, or authorized community health board agent under section 145A.04 to verify the absence of hazard or identify needed corrections. Any condition cited as hazardous and creating an immediate danger of fire or threat to life or safety must be corrected.

(c) An applicant must undergo an initial inspection of the family child care program by a fire marshal to determine compliance with the State Fire Code and compliance with orders issued if the program:

(1) has freestanding solid-fuel-heating appliances;

(2) will operate in a manufactured or mobile home;

(3) will use a basement for child care;

(4) is located in mixed- or multiple-occupancy buildings. For the purposes of this clause, "mixed-occupancy building" means a structure that contains nonresidential occupancies, such as an attached garage, and "multiple-occupancy building" means a structure with two or more residential dwelling units, such as a duplex, apartment building, or townhome; or

(5) is located in a commercial space.

Subd. 3. **Ineligibility factors.** (a) An applicant, caregiver, or any person who resides where the family child care program operates and who is present when children are in care or works with the children in care is prohibited from:

(1) abusing prescribed or nonprescribed drugs or use alcohol or controlled substances specified in chapter 152 to the extent that the use or abuse has or may have a negative effect on the ability of the primary provider of care to give care or is apparent during the hours of operation;

(2) having had a child placed in foster care within the prior 12 months for reasons that the agency determines reflect on the ability of the license holder or the primary provider of care to safely provide family child care. This clause does not apply if the primary reason for the placement was due to a

physical illness of the parent due to a disability of the child, including developmental disability of the child; or for the temporary care of a newborn or infant being relinquished for adoption;

(3) having had a child placed in a residential facility within the prior 12 months for reasons that the agency determines reflect on the ability of the license holder or the primary provider of care to safely provide family child care; or

(4) exhibiting behavior that could pose a risk to children being served in the family child care program. Additional assessments or documentation may be requested to determine the impact on the provider's ability to provide care.

(b) Caregivers who have abused prescribed or nonprescribed drugs or have been dependent on alcohol or controlled substances specified in chapter 152, such that the use, abuse, or dependency has negatively affected the ability to give care, was apparent during the hours of operation, or required treatment or therapy, must have 12 months of verified abstinence before licensure.

Subd. 4. **Variances.** The county licensing unit may grant variances to this chapter.

Subd. 5. **Posting license.** The license holder must post the license in the family child care program in a location where parents, visitors, and authorized representatives of the commissioner can easily access and view the license.

Subd. 6. **Change in license terms.** A license holder must submit a new application form in accordance with section 142B.10 before:

(1) relocating the family child care program;

(2) changing the type of license from class A, C1, or C2 to C3 or C4;

(3) changing the type of license from class C3 or C4 to A, C1, or C2;

(4) changing from family child care to community-based family child care; or

(5) changing from community-based family child care to family child care.

Subd. 7. **Number of licenses.** Each individual applicant is limited to one family child care license.

Subd. 8. **Access to program.** As required in section 142B.10, subdivision 12, caregivers must give authorized representatives of the commissioner access to the family child care program premises during the hours of operation.

Subd. 9. **Disposal of license.** When a family child care program is closed, or if a license is revoked, suspended, or not renewed, the license holder must remove the license from being posted in the home within 14 days of ceasing operation or upon the final order of revocation, denial, or suspension of license; stop all advertising; and refrain from providing care to children as required in section 142B.05, subdivision 1.

Subd. 10. **Local government authority.** The authority of local units of government to establish requirements for family child care programs is limited by section 299F.011, subdivision 4a, paragraph (a), clauses (1) and (2).

Subd. 11. **Background studies.** All individuals subject to a background study must comply with the requirements of chapter 245C.

Subd. 12. **Child care license holder insurance.** (a) The license holder must complete and provide to parents a form prescribed by the commissioner that includes information about the license holder's liability insurance status. The license holder must update the form and obtain each parent's signature whenever insurance coverage changes, a policy lapses, or a new policy takes effect. If the license holder has a continuous insurance policy that renews each year, the license holder may indicate the policy's renewal date in the initial written notice to parents, and no further notices are required until the insurance coverage changes or the policy lapses.

(b) The form under this subdivision must include the date of the policy's expiration or renewal or indicate if the license holder does not carry liability insurance.

(c) A copy of the current certificate of liability insurance must be made available upon request to parents, the commissioner, and agency licensing staff.

Sec. 4. **[142I.04] AGENCY RECORDS.**

Subdivision 1. **Agency records.** An agency must maintain the following records for each license holder:

(1) a copy of the completed licensing application form signed by the applicant and the agency;

(2) a physical health report on any adult caregiver that was submitted prior to giving care in the family child care program. The physical health report must verify that the adult caregiver is physically able to care for children;

(3) any written reports from a fire marshal, building official, or agent of a community health board authorized under chapter 145A;

(4) if the applicant has been licensed through another jurisdiction, a reference from the licensing authority in that jurisdiction;

(5) the initial and annual inspection by the agency of the license holder. Any comments of the license holder about the inspections by the agency must also be noted in the agency record;

(6) a copy of the notification given to parents, prior to a child's admission, indicating that pets are present in the residence and documentation as required in section 142I.19, subdivision 4;

(7) documentation of any variance requests and the approval or denial of the request in accordance with section 142I.03; and

(8) the results of each background study required under chapter 245C.

Subd. 2. **Data privacy.** The agency, commissioner, and authorized agent as defined in section 142B.01, subdivision 5, must have access to license holder records on children in care to determine compliance with this chapter. All caregivers must maintain the privacy of records on children by refraining from discussing or disclosing any records, including electronic records, or information on children in care to any persons other than the parent of the child, the agency, the commissioner, and medical or public safety persons if the information is necessary to protect the health and safety of the child.

Sec. 5. **[142I.05] REPORTING TO AGENCY.**

Subdivision 1. **Maltreatment, abuse, and neglect reporting.** All caregivers who suspect, know, or have reason to believe a child is being or has been maltreated under section 260E.03, subdivision 12, must immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, county sheriff, Tribal social services agency, or Tribal police as required by chapter 260E.

Subd. 2. **Other reporting.** Primary providers of care must notify the agency:

(1) prior to anyone moving into the residence where family child care services are provided. A background study must be completed in accordance with section 245C.13, subdivision 2;

(2) within ten calendar days after a household member has moved out of the residence where family child care services are provided;

(3) before a new caregiver provides direct contact services for the first time, unless an individual is acting as an emergency replacement according to section 142I.09, subdivision 2;

(4) of any damage to the premises that may affect compliance with this chapter or any incident at the premises that results in the loss of utility services, within 24 hours after the occurrence;

(5) within 24 hours after the occurrence of any serious injury, head injury, hospitalization, or death of a child in care. For the purposes of this clause, "serious injury" means an injury that reasonably requires the care of a health care provider or dentist; and

(6) within 24 hours after the occurrence of an animal bite in accordance with section 142I.19, subdivision 4.

Sec. 6. **[142I.06] ADMISSIONS; RECORDS; REPORTING.**

Subdivision 1. **Admission and ongoing information.** (a) Prior to admission of a child and annually while the child is enrolled, the parents and primary provider of care must discuss family child care program policies and licensing requirements.

(b) The license holder must not disclose a child's record to any person other than the child, the child's parent or guardian, the child's legal representative, employees of the license holder, and the agency unless the child's parent or guardian has given written consent or as otherwise required by law.

Subd. 2. **Statutory summary for parents.** A descriptive summary of this chapter must be distributed to the parent by the license holder at the time a child is admitted to care. The summary must be provided by the department to the agencies for distribution to license holders and must:

(1) state that this chapter and chapter 142B govern the licensing of family child care programs;

(2) specify the section headings contained in this chapter; and

(3) state that a complete copy of this chapter is available at the family child care program, agency, department, or State Law Library or through the revisor of statutes website.

Subd. 3. **Parental access.** A parent who has enrolled a child must be allowed access to the child and the licensed space at any time while the child is in care unless a court order or other legal documentation restricts access. A copy of the order or other legal documentation must be kept in the child's record at the family child care program.

Subd. 4. **Attendance records.** A license holder must maintain documentation of attendance for each child receiving care for a minimum of five years. The records must be accessible to the commissioner during the family child care program's hours of operation, must be completed on the day of attendance, and must include:

(1) the first and last name of the child;

(2) the time of day that the child was dropped off; and

(3) the time of day that the child was picked up.

Subd. 5. **License holder policies.** (a) The license holder must follow and monitor implementation of the policies and procedures by all caregivers as required in section 142B.10, subdivision 21.

(b) When applicable for the program, the license holder must have written policies available for discussion with parents and the commissioner and provide an electronic or hard copy to the parent at the time of admission or upon request. The policies must include, at a minimum:

(1) program operation policies, including:

(i) the ages and numbers of children the family child care program is licensed to serve;

(ii) the hours and days of operation, including plans for holiday closings, personal time, and policies for inclement weather closings;

(iii) fees, including payment schedule, overtime charges, and registration fees as applicable;

(iv) parental access to the family child care program that states a parent who enrolls a child must be allowed access to the child and the licensed space at any time while the child is in care;

(v) nondiscrimination practices to comply with section 142I.21;

(vi) the termination of child care and expulsion notice procedures; and

(vii) the use of a helper, a substitute for personal leave or holidays, and an emergency substitute according to the licensing requirements in section 142I.09;

(2) health and safety policies, including on:

(i) allergy prevention and response;

(ii) the administration and storage of medication and topical products;

(iii) the care of ill children, isolation precautions, symptoms for discharge and return, immunizations, medicine permission policies, and whether the license holder will care for an ill child;

(iv) disease notification procedures, including notifying the parents of exposed children within 24 hours of a parent or caregiver notifying the license holder of a reportable disease under section 142I.19, subdivision 9. The notice must be posted in a clearly visible, accessible place or provided individually to each parent of a child who was exposed;

(v) meals, snacks, infant formula, breast milk, and supplemental foods to be provided, including labeling requirements for food brought from the child's home;

(vi) sleeping and resting arrangements;

(vii) emergency procedures, fire and storm plans, and transportation in an emergency, including whether parent permission is required;

(viii) how the license holder prevents abuse of prescription medication or being in any manner under the influence of a chemical that impairs the caregiver's ability to provide services or care as required under section 142B.10, subdivision 1, paragraph (c); and

(ix) firearms at the residence in accordance with section 142I.19, subdivision 7; and

(3) program environment policies, including:

(i) behavior guidance and discipline;

(ii) field trips, including by foot, and whether parent permission is required;

(iii) the presence of pets in the family child care program, including notification prior to the introduction of a new pet to the program;

(iv) the use of screen time; and

(v) the use of social media, images, and video in accordance with subdivision 7.

Subd. 6. **Records for each child.** (a) The license holder must obtain the records in this subdivision from parents prior to the admission of a child. The license holder must keep this information up to date and on file for each child. The license holder must have a parent annually review the information in a child's record, update the information as necessary, and keep the information on file.

(b) For each enrolled child, the license holder must maintain a signed and completed admission and arrangement form, as prescribed by the commissioner, and a completed enrollment form, as developed and approved by the commissioner.

(c) Immunization records must be kept in accordance with section 121A.15 and Minnesota Rules, chapter 4604. Prior to enrollment, a license holder must request a child's immunization record. The record must be kept on file and updated as follows:

(1) for an infant, every six months;

(2) for a toddler, annually;

(3) for a preschooler, every 18 months; and

(4) for a school-age child, every three years.

(d) For each enrolled child, the license holder must obtain signed written consent from a parent allowing the license holder to obtain emergency medical care or treatment for the child.

(e) A license holder must release a child from care only to a parent or other person authorized in writing by the parent. The information must be reviewed at least annually by the parent and updated when information changes.

Subd. 7. **Social media, images, and video sharing.** (a) Caregivers are prohibited from sharing photos, videos, or other personal identifying information of enrolled children, except to provide updates to parents who have provided written consent. If a license holder wishes to use photos or videos of the family child care program and the enrolled children for promotional or publicity purposes, including on social media accounts or public digital platforms, the license holder must obtain written consent from parents prior to use.

(b) Notwithstanding paragraph (a), the license holder must share photos, videos, and other personal identifying information of enrolled children with the commissioner upon request.

Subd. 8. **Nondiscrimination.** A caregiver is prohibited from discriminating in relation to enrollment in their program based on race, color, creed, religion, national origin, sex, gender identity, marital status, disability, sexual orientation, or familial status.

Sec. 7. **[142I.07] CAPACITY AND RATIOS.**

Subdivision 1. **Capacity limits.** License holders must be licensed for the total number of children ten years of age or younger who are present on the premises of the family child care program at any one time during child care hours, including the caregiver's own children and foster children.

Subd. 2. **Capacity, ratios, and age distribution restrictions.** (a) The commissioner must issue licenses based on the capacity and ratios in this subdivision.

(b) License holders with a class A license must meet the following requirements:

Class	Capacity	Minimum Adult Caregivers	Maximum Children Under School Age	Maximum Total Infants and Toddlers	Maximum Infants
A	10	1	6	3	2

(c) License holders with a class C license must meet the following requirements:

Class	Capacity	Minimum Adult Caregivers	Maximum Children Under School Age	Maximum Total Infants and Toddlers	Maximum Infants
C	5	1	5	3	3
C1	10	1	8	4	2
C2	12	1	10	3	2
C3	14	2	12	6	4
C4	18	2	12	5	2

Subd. 3. **Newborn care.** When a newborn is in care and only one adult caregiver is present, the newborn must be the only child under 12 months of age present, and the license holder must not care for more than two other children at the same time unless the newborn is the license holder's child. When a second adult caregiver is also present or the newborn is the child of the license holder, then the newborn is considered an infant for the purposes of child-to-adult ratios and age distribution restrictions.

Subd. 4. **Supervision, primary provider of care, and use of substitutes.** (a) Children in care must be supervised by an adult caregiver. The adult caregiver must have knowledge of each child's needs, including but not limited to developmental and behavioral needs and parental preferences, and be accountable for each child's care at all times. A caregiver must be within sight or hearing of newborns, infants, toddlers, and preschoolers at all times without the use of monitoring devices, except as provided in section 142I.18.

(b) The primary provider of care must be the primary caregiver in the family child care program unless a substitute is being used in accordance with section 142I.09. A helper may be used in place of a second adult caregiver when there is no more than one newborn, infant, or toddler present.

(c) The use of a substitute caregiver must be in accordance with section 142I.09.

Subd. 5. **Overnight care.** When a family child care program has a child in care after 11 p.m. and before 5 a.m.:

(1) at least one adult caregiver must remain awake and available to respond to children's needs at all times. The program must maintain required caregiver-to-child ratios. Additional caregivers may sleep when ratios are maintained and must be available to resume supervision when needed;

(2) all awake children must be given the opportunity to engage in age-appropriate activities in a separate room away from sleeping children; and

(3) the child care emergency plan must include a plan tailored to sleeping children.

Subd. 6. **Class C4 licenses.** (a) class C4 licenses must always operate at the level of exit discharge.

(b) A family child care program with a class C license may operate as a lower C-class level family child care program on days when the adult-to-child ratios allow it to operate at a lower capacity.

Subd. 7. **Care of the license holder's own child or children.** (a) With the license holder's consent, an individual may be present in the licensed space and care for the license holder's own child both inside and outside of the licensed space and is exempt from the training and supervision requirements of section 142I.10 if the individual:

(1) is related to the license holder or to the license holder's child, as defined in section 142I.01, subdivision 40, or is a household member who the license holder has reported to the county agency;

(2) is not a caregiver for the family child care program at the time that they are supervising the license holder's own child;

(3) only cares for the license holder's own child; and

(4) does not have direct, unsupervised contact with any nonrelative children in care.

(b) If the individual in paragraph (a) is not a household member, the individual is also exempt from background study requirements under chapter 245C.

(c) Where a caregiver is also a parent providing care to their own child in the family child care program, sections 142I.13; 142I.17; 142I.20, subdivisions 1 to 3; and 142I.21 do not apply to caregivers with regards to the care of their own children.

(d) Notwithstanding paragraph (c), family child care programs with license holders or caregivers providing care to their own child are not exempt from the capacity, ratio, and age distribution requirements under this section. License holders and caregivers remain subject to chapters 260E and 609 and other applicable statutes and rules.

(e) Notwithstanding paragraph (c), the agency may enforce the standards in sections 142I.13; 142I.17; 142I.20, subdivisions 1 to 3; and 142I.21 when the caregiver's actions with regards to the care of their own children affect the other children in the caregiver's care.

Sec. 8. **[142I.08] QUALIFICATIONS.**

Subdivision 1. **Age.** An applicant for a family child care license must be an adult at the time of application.

Subd. 2. **Physical and behavioral health.** (a) An adult caregiver must be physically and mentally able to care for children. An applicant or primary provider of care must provide documentation to the agency along with the license application verifying that the applicant has had a physical examination by a licensed physician, advanced practice registered nurse, or physician assistant within 12 months prior to the application for initial licensure and that the applicant or primary

provider of care is physically able to care for children. Prior to assisting in the care of children, the applicant must also provide documentation verifying that any adult caregiver has had a physical examination by a licensed physician, advanced practice registered nurse, or physician assistant within the past 12 months and is physically able to care for children.

(b) The commissioner may require a caregiver to provide reports on the caregiver's physical or mental health from a health care provider when there is reason to believe that a caregiver exhibits physical or mental health symptoms that could impair the caregiver's ability to ensure the health and safety of children. The reports must not be used for any other purpose than to determine whether the caregiver's physical or mental health impacts the health and safety of children.

Subd. 3. **Additional class C4 license requirements.** (a) An applicant or primary provider of care receiving a class C4 license must have at least one of:

(1) a minimum of one year of substantial compliance with this chapter as a Minnesota-licensed family child care license holder, primary provider of care, or second adult caregiver and a minimum of 1500 hours of direct care in a family child care program serving children;

(2) a minimum of six months of substantial compliance with this chapter as a family child care license holder, primary provider of care, or second adult caregiver in Minnesota and:

(i) a minimum of 520 hours of experience as an assistant teacher, student teacher, or intern in an elementary school, after-school program, or Minnesota-licensed child care center or as an adult caregiver in a Minnesota-licensed family child care program and 30 hours of child care, health, and nutrition training as specified in section 142I.10; or

(ii) a minimum of 520 hours of experience as a licensed practical or registered nurse, and 30 hours of child development or early childhood education training, as specified in section 142I.10;

(3) certification or licensure indicating completion of one of the following:

(i) a two-year child development or early childhood education associate or certificate program at an accredited college or university;

(ii) a child development associate certification;

(iii) a certification from a recognized Montessori organization;

(iv) a bachelor's degree or higher in early childhood education from an accredited college or university; or

(v) an elementary education degree from an accredited college or university that includes a minimum of 30 hours of child development training; or

(4) six months' experience working an average of 30 hours a week or more as a teacher, as defined in section 142H.06, at a Minnesota-licensed child care center.

(b) An applicant or primary provider of care must complete an additional large group training created by the commissioner as a condition of receiving a class C4 license.

Sec. 9. **[142I.09] SUBSTITUTE CAREGIVERS AND REPLACEMENTS.**

Subdivision 1. **Total hours allowed.** The use of a substitute caregiver in a family child care program is limited to a cumulative total of not more than 500 hours annually. When a substitute is used, prior to the end of each business day the license holder must document the name, date, and number of hours of each substitute who provided care.

Subd. 2. **Emergency replacement supervision.** (a) In an emergency, a license holder may allow an adult who has not completed the training requirements under this chapter or the background study requirements under chapter 245C to supervise children in a family child care program. For purposes of this subdivision, "emergency" means a situation in which the license holder has begun operating the family child care program for the day and for reasons beyond the control of the license holder, including but not limited to a serious illness or injury, accident, or situation requiring the immediate attention of the license holder, the license holder needs to leave the licensed space and close the program for the day.

(b) To the extent practicable, the license holder must attempt to arrange for emergency care by a substitute caregiver before using an emergency replacement.

(c) When an emergency occurs:

(1) the license holder or emergency replacement must contact the parents of the children attending the family child care program and inform the parents that the program is closing for the day and that the children need to be picked up as soon as practicable;

(2) the license holder must not knowingly use a person as an emergency replacement who has committed an action or has been convicted of a crime that would cause the person to be disqualified from providing care to children if a background study was conducted under chapter 245C;

(3) the license holder must make reasonable efforts to minimize the amount of time the emergency replacement has unsupervised contact with the children in care not to exceed 12 hours per emergency incident;

(4) the family child care program must be closed for the day once the last unrelated child has left the program; and

(5) the license holder must notify the county licensing agency within seven days that an emergency replacement was used and specify the circumstances that led to the use of the emergency replacement.

(d) The county licensing agency must notify the commissioner within three business days after receiving the license holder's notice that an emergency replacement was used and specify to the commissioner the circumstances that led to the use of the emergency replacement.

(e) A license holder is not required to provide the names of persons who may be used as replacements in emergencies to parents or the county licensing agency. However, once an emergency replacement has been used, the license holder must provide the name of the individual used to the county licensing agency.

Sec. 10. **[142I.10] APPLICANT, PRIMARY PROVIDER OF CARE, AND SECOND ADULT CAREGIVER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; applicant, primary provider of care, and second adult caregiver.** (a) Before providing care, an applicant, a primary provider of care, and each second adult caregiver must have completed all required initial training within the prior 24 months.

(b) Initial training does not need to be completed before providing care in the following circumstances:

(1) a primary provider of care who voluntarily closes a license and reopens within 12 months has one year from the new license's effective date to complete annual and ongoing training and is exempt from repeating initial training;

(2) a primary provider of care who relocates within the state has until the end of the calendar year to complete annual and ongoing training and is not required to repeat initial training previously completed; and

(3) a primary provider of care who relocates to a new county must not be required by the new county to complete orientation or other training required for new applicants.

(c) Each applicant, primary provider of care, and second adult caregiver must complete and document the following before providing care:

(1) at least four hours of child development, learning, or behavior guidance training. An individual is exempt if the individual provides documentation verifying that the individual:

(i) has completed a three-credit early childhood development course within the past five years;

(ii) holds a baccalaureate or master's degree in early childhood education or school-age child care;

(iii) holds a Minnesota teaching license in early childhood education, kindergarten through grade 6, or special education; or

(iv) holds a Montessori certificate;

(2) the six-hour supervising for safety for family child care course developed by the commissioner;

(3) pediatric first aid training provided by an instructor certified to teach pediatric first aid. Current training documentation must be maintained at the family child care program and made available upon request. Online training reviewed and approved by the county licensing agency satisfies this requirement;

(4) pediatric cardiopulmonary resuscitation (CPR) training that:

(i) is instructor led or blended with a hands-on skills component. Online-only CPR courses without a hands-on component do not meet this requirement;

(ii)(A) is developed by the American Heart Association or the American Red Cross; or

(B) uses nationally recognized, evidence-based guidelines for CPR training; and

(iii) is provided by an instructor approved by the commissioner to teach CPR;

(5) for programs licensed for children younger than school age, training on reducing the risk of sudden unexpected infant death and abusive head trauma, which may be combined in a single commissioner-approved course. This training must, at a minimum, address the risk factors related to sudden unexpected infant death and abusive head trauma and the means of reducing the risk of each;

(6) training on proper use and installation of child passenger restraint systems under section 169.685 of at least one hour in length that is provided by an instructor certified and approved by the Department of Public Safety. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age and the proper installation of a car seat or booster seat in the motor vehicle used by the caregiver to transport the child or children. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e);

(7) training on the child care emergency plan required under section 142I.19, subdivision 2;

(8) training on allergy prevention and response required under section 142I.06, subdivision 5, paragraph (b);

(9) training on the community-based family child care program plan required under section 142I.22, if applicable;

(10) training on the family child care program policies and procedures required under section 142I.06;

(11) training on reporting suspected maltreatment of children as required under chapter 260E; and

(12) swimming pool training under section 142I.14, subdivision 6, if a pool at the family child care program is used by children in care.

(d) County licensing staff must accept approved training on the primary provider of care or second adult caregiver's learning record in the Develop data system for early education and school-age care.

Subd. 2. **Annual training; primary provider of care and second adult caregiver.** (a) A primary provider of care and each second adult caregiver must annually complete and document the following training:

(1) at least two hours of child development, learning, or behavior guidance training. A three-credit early childhood development course completed within the calendar year meets this requirement;

(2) a two-hour active supervision course developed or approved by the commissioner;

(3) training on reducing the risk of sudden unexpected infant death if caring for infants and training on reducing the risk of abusive head trauma if caring for children under school age, which must:

(i) be completed in person or online at least once every two years; and

(ii) in alternating years, be completed through a commissioner-approved video not exceeding one hour in length; and

(4) at least four hours of ongoing training each calendar year that must include topics identified in the Minnesota knowledge and competency framework. Repeat of topical training requirements in subdivision 1 counts toward the annual ten-hour requirement.

(b) A caregiver who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual ten-hour training requirement in paragraph (a), clause (4), if:

(1) the training is the first instance in which the caregiver delivers a particular content-specific training during each training year;

(2) the caregiver is a Develop-approved active trainer; and

(3) the hours counted as training instruction are approved through the Develop data system with attendance verified on the trainer's individual learning record and are in the knowledge and competency framework content areas VII A, establishing healthy practices, or B, ensuring safety.

(c) Unless specifically authorized in this section, one training does not fulfill two different training requirements. Courses within the identified knowledge and competency areas that are specific to child care centers or legal nonlicensed programs do not fulfill the requirements of this section.

(d) County licensing staff must accept training designated by the commissioner as satisfying training requirements if the training is within the knowledge and competency framework for child development and learning, behavior guidance, and active supervision as indicated on the department's website.

Subd. 3. **Ongoing training; primary provider of care and second adult caregiver.** (a) A primary provider of care and each second adult caregiver must complete and document the following training:

(1) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 1, paragraph (c), clause (4), and is repeated every two years within 90 days of the second anniversary of the previous training. Documentation must be maintained at the family child care program or electronically and made available upon request;

(2) pediatric first aid training by a certified instructor repeated every two years within 90 days of the second anniversary of the previous training. Documentation of the training must be maintained at the family child care program or electronically and made available upon request;

(3) commissioner-developed Health and Safety I and Health and Safety II training at least once every five years. Completion of either course in a given year meets the annual active supervision training requirement in subdivision 2, paragraph (a), clause (2);

(4) proper use and installation of child passenger restraint systems under section 169.685 that meets the requirements of subdivision 1, paragraph (c), clause (6), and is repeated at least once every five years. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e); and

(5) fire safety training developed by the State Fire Marshal's Office that must be completed once every five years.

(b) If a license holder changes any of the policies and procedures under section 142I.06, subdivision 5, the primary provider of care and each second adult caregiver must review the revised policies and procedures within ten days of the change.

(c) The license holder must maintain documentation of each review of the revised policies and procedures at the family child care program. The documentation requirements under this paragraph may be met by a date noted on the revised policies or procedures.

Subd. 4. **Commissioner designated training.** Training designated by the commissioner satisfies the training requirements under this section if the training is within the knowledge and competency framework for child development and learning, behavior guidance, and active supervision, as indicated on the department's website.

Sec. 11. **[142I.11] SUBSTITUTE AND INTERMITTENT CAREGIVER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; substitute and intermittent caregiver.** (a) Before providing care, each substitute and intermittent caregiver must complete the following training requirements within the previous 12 months:

(1) the four-hour basics of family child care for substitutes course developed by the commissioner;

(2) pediatric first aid training provided by an instructor certified to teach pediatric first aid. Current training documentation must be maintained at the family child care program and made available upon request. Online training reviewed and approved by the county licensing agency satisfies this requirement;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (4);

(4) for programs licensed for children younger than school age, training on reducing the risk of sudden unexpected infant death and abusive head trauma, which may be combined in a single commissioner-approved course. This training must, at a minimum, address the risk factors related to sudden unexpected infant death and abusive head trauma and the means of reducing the risk of each;

(5) training on proper use and installation of child passenger restraint systems under section 169.685 of at least one hour in length, provided by an instructor certified and approved by the Department of Public Safety. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e). At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age and the proper installation of a car seat or booster seat in the motor vehicle used by the caregiver to transport the child or children;

(6) training on the child care emergency plan required under section 142I.19, subdivision 2;

(7) training on allergy prevention and response required under section 142I.06, subdivision 5, paragraph (b);

(8) training on the community-based family child care program plan required under section 142I.22, if applicable;

(9) training on the family child care program policies and procedures required under section 142I.06;

(10) training on reporting suspected maltreatment of children as required under chapter 260E; and

(11) swimming pool training under section 142I.14, subdivision 6, if a pool at the family child care program is used by children in care.

(b) County licensing staff must accept approved training on the substitute or intermittent caregiver's learning record in the Develop data system for early education and school-age care.

Subd. 2. **Annual training; substitute and intermittent caregiver.** (a) Substitutes and intermittent caregivers must complete a minimum of one hour of training each calendar year, and the training must include the requirements in this section.

(b) Each calendar year, a substitute or intermittent caregiver must receive training on reducing the risk of abusive head trauma from shaking infants and young children if caring for children under school age and reducing the risk of sudden unexpected infant death if caring for infants. A substitute must complete each applicable course at least once every two years either in person or online. In a year a substitute or intermittent caregiver is not completing an applicable course under this paragraph in person or online, the individual must watch a video on the respective topic of no more than one hour in length. The video must be developed or approved by the commissioner. A license holder must maintain documentation of compliance with this paragraph for each substitute and intermittent caregiver employed.

Subd. 3. **Ongoing training; substitute and intermittent caregiver.** (a) At least once every three years, a substitute or intermittent caregiver must complete the four-hour basics of family child care for substitutes course.

(b) A substitute or intermittent caregiver must complete the following training:

(1) pediatric cardiopulmonary resuscitation training that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (4), and is repeated every two years within 90 days of the second anniversary of the previous training. Documentation must be maintained at the family child care program or electronically and made available upon request;

(2) pediatric first aid that is given by an instructor certified to provide pediatric first aid and is repeated every two years within 90 days of the second anniversary of the previous training. Documentation of the training must be maintained at the family child care program or electronically and made available upon request; and

(3) proper use and installation of child passenger restraint systems under section 169.685 that meets the requirements of section 142I.10, subdivision 1, paragraph (c), clause (6), and is repeated at least once every five years. This requirement does not apply to family child care programs that transport only school-age children as defined in section 142I.01, subdivision 5, paragraph (e), in child care buses as defined in section 169.448, subdivision 1, paragraph (e).

Sec. 12. **[142I.12] HELPER TRAINING REQUIREMENTS.**

Subdivision 1. **Initial training; helper.** (a) Before assisting in care, a helper who assists with care must complete a minimum of four hours of training within the previous 12 months. The four hours must include courses on:

(1) reducing the risk of sudden unexpected infant death if the program is licensed to care for infants;

(2) abusive head trauma if the program is licensed to care for children younger than school age; and

(3) reporting suspected maltreatment of children as required under chapter 260E.

(b) The trainings required under paragraph (a) may be combined in a single commissioner-approved course.

(c) A license holder must maintain written or electronic documentation showing that each helper has complied with this subdivision.

Subd. 2. **Annual training; helper.** (a) Each calendar year, a helper who assists in the care of children must receive training on reducing the risk of sudden unexpected infant death if the program is licensed to care for infants, and abusive head trauma if the program is licensed to care for children younger than school age. The trainings under this paragraph may be combined in a single commissioner-approved course and must, at a minimum, address risk factors, methods of risk reduction in child care, and communication with parents regarding risk reduction.

(b) A license holder must maintain documentation showing each helper has complied with this subdivision.

(c) County licensing staff must accept approved training on the helper's learning record in the Develop data system.

Sec. 13. **[142I.13] BEHAVIOR GUIDANCE.**

Subdivision 1. **Methods of promoting positive behavior.** A license holder must:

(1) positively role model acceptable behavior to each child;

(2) tailor methods of promoting positive behavior to the developmental level of the children the family child care program is licensed to serve;

(3) ensure redirection is used as appropriate in addressing a child's behavior, to guide a child away from potential challenges toward constructive activity. For the purposes of this clause, "redirection" means when a caregiver intervenes and guides a child toward constructive activity through positive techniques;

(4) teach children how to use acceptable alternatives to reduce conflict; and

(5) protect the safety and well-being of children and caregivers.

Subd. 2. **Prohibited actions.** A license holder must prohibit every caregiver from:

(1) subjecting a child to corporal or physical punishment. This includes but is not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, spitting, hitting, and spanking;

(2) subjecting a child to name calling, ostracism, shaming, making derogatory remarks about the child or the child's family, cultural or racial slurs, and yelling or using profane language that threatens, humiliates, or frightens the child;

(3) forcing a child to maintain an uncomfortable position or to continuously repeat physical movements;

(4) separating a child from the group except as provided in subdivision 3;

(5) punishing a child for:

(i) not resting, napping, or sleeping;

(ii) toileting accidents;

(iii) failing to eat all or part of meals or snacks; or

(iv) failing to complete an activity;

(6) denying a child food or drink or forcing food or drink upon a child;

(7) denying light, warmth, clothing, or medical care as a punishment for unacceptable behavior;

(8) the use of physical restraint other than to physically hold a child when containment is necessary to protect a child or others from harm;

(9) the use of prone restraints, as prohibited by section 245A.211;

(10) the use of mechanical restraints, such as tying, or any device or equipment intended to restrict or prevent movement as a means of discipline or for reasons unrelated to the child's care, safety, or planned activity;

(11) giving a child any nonprescribed substance to subdue or restrict movement or behavior;

(12) delegating the discipline or punishment of a child to another child; and

(13) punishing or shaming a child for the actions of a parent. This includes but is not limited to failure to pay fees, failure to provide appropriate clothing, failure to provide materials for an activity, or any conflict between the license holder or caregiver and the parent.

Subd. 3. **Separation time from the group.** A caregiver must not separate a child from the child's group as a means of behavior guidance unless the caregiver has tried less intrusive methods of guiding the child's behavior that have been ineffective and the child's behavior threatens the well-being of the child or other children in the family child care program. Separation from the group must meet the following requirements:

(1) children younger than three years old must not be separated from the group as a means of behavior guidance;

(2) the separation time must be limited to the amount of time necessary for the child to gain self-control and rejoin the group while being supported by the caregiver;

(3) the child must be supervised;

(4) the child must not be placed in a locked room to separate the child from the group; and

(5) the caregiver must provide the separation time in an age-appropriate, nonhumiliating manner for the child.

Sec. 14. **[142I.14] PHYSICAL SPACE REQUIREMENTS.**

Subdivision 1. **Indoor space.** (a) The licensed capacity of the family child care program must be limited by the amount of usable indoor space available to children. A minimum of 35 square feet of usable indoor space is required per child.

(b) Bathrooms, closets, space occupied by major appliances, and other space not used by children may not be counted as usable space. Space occupied by adult furniture, if it is used by children, may be counted as usable indoor space.

(c) Usable indoor space may include a basement if it has been inspected and approved by a fire marshal, is free of hazards, and meets the requirements of subdivision 4.

(d) All exits leading from indoor to outdoor space must be fully clear of obstruction.

Subd. 2. **Escape routes.** (a) The main means of escape must be a stairway or door leading to the floor with an exit to the outside.

(b) Any room that has sleeping children must have an escape route separate from the main exit referenced in paragraph (a). This escape route must be a door or an egress window leading directly outside.

(c) When the basement is used for care, the basement must have at least one escape route separate from the main exit under paragraph (a). This escape route must be a door or an egress window leading directly outside.

(d) Required escape routes must not be obstructed and must be accessible and openable without special knowledge.

Subd. 3. **Outdoor learning environment and play space.** (a) A family child care program must have an outdoor play space of at least 50 square feet per child the program is licensed to serve for regular use or a park, playground, or play space within 1,500 feet of the family child care program.

(b) During outdoor play:

(1) the adult caregiver must remain outdoors with infants, toddlers, and preschoolers at all times;

(2) school-age children may be permitted in the approved outdoor play space at the family child care program without a caregiver if:

(i) the children are engaged in age-appropriate activities using age-appropriate equipment; and

(ii) a caregiver remains accessible to provide supervision when needed in accordance with section 142I.01, subdivision 46; and

(3) when the outdoor play space is not at the family child care program, a caregiver must accompany and supervise all children in transit and at the outdoor play space.

(c) Caregivers must prevent children from accessing hazardous materials.

(d) Outdoor play areas must be protected from traffic and nearby hazards. If traffic or other hazards are present, the family child care program must have:

(1) a continuous fence in good condition with functioning gates or a continuous natural barrier or a combination of fence and naturally occurring or landscaping barrier. The fence or natural barrier must ensure that children are not able to leave the outdoor play area unsupervised; or

(2) a supervision and safety plan if a fence is not used that includes alternative methods to ensure the health, safety, and protection of children in care.

(e) Electrical fences must be inaccessible to children in care.

(f) Caregivers must take measures to protect children from the dangers of sun exposure, extreme heat or cold, and air quality.

(g) Outdoor equipment, whether stationary or portable, must be safe, be in good repair, be assembled according to the manufacturer's guidelines, and meet the developmental needs of the age groups of children using the space.

(h) Equipment including but not limited to climbing gyms, swings, and slides must:

(1) not have openings between 3-1/2 inches and nine inches in size to prevent entrapment of the head or other body parts;

(2) have guardrails or protective barriers on platforms that are 30 inches or higher. A protective barrier is a continuous structure surrounding the platform that is designed to prevent a person from falling or passing through, whether intentionally or accidentally; and

(3) be assembled, installed, and utilized according to the manufacturer's guidelines.

Subd. 4. **Conditions of the program.** The licensed space must be maintained in a manner that protects the health and safety of children in care. The license holder must ensure that:

(1) the family child care program space is free from conditions that endanger the health or safety of children, including unsanitary conditions or excessive accumulation of materials that can start a fire or create other safety hazards;

(2) the furnishings, equipment, and materials are arranged and stored so that hallways, stairways, doors, and exit routes remain unobstructed and usable for safe exit; and

(3) the amount and placement of stored items do not create an increased risk of fire or injury or impede the safe supervision of children.

Subd. 5. **Portable wading pools.** (a) A child must not use a portable wading pool as defined in section 144.1222, subdivision 2a, at a family child care program unless the parent of the child has provided written consent. The written consent must include a statement that the parent has received and read material provided by the Department of Health on wading pool safety for parents related to the risk of disease transmission as well as other health risks associated with the use of portable wading pools.

(b) The license holder must empty wading pools daily.

(c) A caregiver must supervise children at all times while a wading pool is in use and must be able to clearly see all parts of the wading area. When not in use under the supervision of a caregiver, wading pools must be inaccessible to children.

Subd. 6. **Swimming pools.** (a) For the purposes of this subdivision, "swimming pool" has the meaning in section 144.1222, subdivision 2b, and does not include a portable wading pool as defined in section 144.1222, subdivision 2a, or a spa pool as defined in Minnesota Rules, part 4717.0250.

(b) A license holder must comply with the following requirements in order for children in the program to use a swimming pool located at the program:

(1) not have had a licensing sanction under section 142B.18 or a correction order or conditional license under section 142B.16 relating to the supervision or health and safety of children during the prior 24 months;

(2) notify the county agency before initial use of the swimming pool each calendar year;

(3) obtain written consent from a child's parent allowing the child to use the swimming pool and renew the parent's written consent at least annually. The written consent must include a statement that the parent has received and read materials provided by the Department of Health related to the risk of disease transmission as well as other health risks associated with swimming pools. The written consent must also include a statement that neither the Department of Health nor the county agency will monitor or inspect the license holder's swimming pool;

(4) attend and successfully complete a swimming pool supervision training course annually;

(5) attend and successfully complete one of the following swimming pool operator training courses once every five years:

(i) both of the National Spa and Pool Institute Tech I and Tech II courses; or

(ii) the National Recreation and Park Association aquatic facility operator course;

(6) ensure all toilet-trained children use the bathroom before the children enter the swimming pool;

(7) require all children who are not toilet trained to wear swim diapers while in the swimming pool;

(8) if fecal material enters the swimming pool water, add three times the normal shock treatment to the pool water to raise the chlorine level to at least 20 parts per million and close the pool to swimming for the 24 hours following the entrance of fecal material into the water or until the water pH and disinfectant concentration levels have returned to the standards specified in clause (10), whichever is later;

(9) prevent any person from entering the swimming pool who has an open wound or has or is suspected of having a communicable disease;

(10) maintain the swimming pool water at a pH of not less than 7.2 and not more than 8.0, maintain the disinfectant concentration between two and five parts per million for chlorine or between 2.3 and 4.5 parts per million for bromine, and maintain a daily record of the swimming pool's operation with pH and disinfectant concentration readings on days when children cared for at the family child care program are present;

(11) have a disinfectant feeder or feeders;

(12) have a recirculation system that will clarify and disinfect the swimming pool volume of water in ten hours or less;

(13) maintain the swimming pool's water clarity so that an object on the pool floor at the pool's deepest point is easily visible;

(14) comply with the provisions in section 144.1222, subdivisions 1c and 1d;

(15) have in place and enforce written safety rules and swimming pool policies;

(16) have in place at all times a safety rope that divides the shallow and deep portions of the swimming pool;

(17) maintain compliance with any existing local ordinances regarding swimming pool installation, decks, and fencing;

(18) maintain a water temperature of not more than 104 degrees Fahrenheit and not less than 70 degrees Fahrenheit;

(19) cover the swimming pool when not in use;

(20) follow the requirements of subdivision 7; and

(21) for lifesaving equipment, have a United States Coast Guard-approved life ring attached to a rope, an exit ladder, and a shepherd's hook available at all times to the caregiver supervising the swimming pool.

Subd. 7. **Water hazards.** (a) Swimming and wading pools, beaches, wells, or other bodies of water on or adjacent to the site of the family child care program must be inaccessible to children except during periods of supervised use.

(b) All water hazards, such as inground or aboveground swimming pools, hot tubs, stationary wading pools, fish ponds, and water retention or detention basins on the site of the family child care program must be enclosed with a permanent fence, wall, building wall, other physical barrier, or combination thereof that is at least four feet in height. A house exterior wall can constitute one side of a fence if the wall has no openings capable of providing direct access to the hazard, including but not limited to doors or windows.

(c) The family child care program may not allow a child in care to use a swimming pool or beach without an adult caregiver trained in first aid and CPR present.

(d) Bodies of water must be separated from the play area by a fence or other physical barrier that prevents children from accessing the water. The house door alone is not a sufficient barrier.

Subd. 8. **Water play.** (a) Parental permission is not required for children to use splash pads, sprinklers, or other water toys that spray or jet water on the users and do not have standing water. Splash pads, sprinklers, or other water toys that retain water are considered wading pools and are required to meet the requirements of subdivision 5.

(b) Water tables designed for children to play with their hands must be emptied daily. The caregiver must supervise children at all times while a water table is in use and must be able to clearly see all parts of the water table. When not in use under the supervision of a caregiver, water tables must be inaccessible to children.

Subd. 9. **Separation between attached garage and family child care program.** The separation wall between the residence and garage must meet the requirements of Minnesota Rules, part 1309.0302.

Subd. 10. **Ventilation, heating, and cooling systems.** (a) Heating, ventilation, and air conditioning systems must be operated according to the manufacturer's instructions and in good

repair. Gas, coal, wood, kerosene, or oil heaters must be vented to the outside in accordance with the State Building Code.

(b) Items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products, must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance.

(c) If a license holder produces manufacturer instructions listing a distance closer than the requirements under paragraph (b), the manufacturer instructions control the required distance of combustible items from gas, fuel-oil, or solid-fuel-burning heaters or furnaces.

(d) When in use, fireplaces, wood-burning stoves, solid-fuel-burning appliances, space heaters, steam radiators, outdoor fire pits, and other potentially hot surfaces, such as steam pipes, must be protected by guards or protective covering to keep hands and bodies away, prevent burns, and prevent fires. All fireplaces, wood-burning stoves, space heaters, steam radiators, and furnaces must be installed according to the State Building Code. The furnace, hot water heater, and utility rooms must be inaccessible to children.

(e) Ventilation of usable space must meet the requirements of the State Building Code. Outside doors and windows used for ventilation in summer months must be screened when biting insects are prevalent. The screens must be in good repair. Sources of harmful and unpleasant odors including urine and pet waste must be removed to the extent possible by removing the source of the odor or by removing odors through cleaning and ventilation.

Subd. 11. **Temperature.** A minimum temperature of 62 degrees Fahrenheit must be maintained in indoor areas used by children.

Subd. 12. **Sewage disposal.** Family child care programs must have working toilets and a sewage disposal system that conform to the State Building Code or local septic system ordinances. Toilet training equipment must be emptied and cleaned after each use. Outdoor toilets, including compostable toilets, are permissible in accordance with local septic system ordinances.

Subd. 13. **Construction or remodeling.** During construction or remodeling, children must not have access to construction or remodeling areas within or around the premises.

Subd. 14. **Interior walls and ceilings.** The walls and ceilings within a family child care program, including those in corridors, stairways, and lobbies, must have a flame spread rating of 200 or less.

Subd. 15. **Electrical services.** (a) All electric outlets in a family child care program accessible to children must be tamper-proof or shielded when not in use. All major electrical appliances must be properly installed and grounded in accordance with the State Electrical Code and in good working order.

(b) Electrical wiring must be sized to provide for the load and be in good repair. Extension cords must not be used as a substitute for permanent wiring.

Subd. 16. **Fire extinguisher.** A portable, operational, multipurpose, and dry chemical fire extinguisher with a minimum 2-A 10-BC rating must be located near the required exit door of the program at all times. The fire extinguisher must be serviced annually by a qualified inspector and evidence of annual service must be documented. All caregivers must know how to properly use the fire extinguisher.

Subd. 17. **Carbon monoxide and smoke alarms.** (a) A family child care program must have an approved and operational carbon monoxide alarm installed within ten feet of each area used for sleeping children in care.

(b) A family child care program must properly install and maintain smoke alarms models that have been approved by the Underwriter Laboratory on all levels, including basements, and in hallways outside rooms used for sleeping children in care. Smoke alarms are not required in crawl spaces and uninhabitable attics. For family child care programs in buildings that began construction on or after March 31, 2020, smoke alarms must be installed and maintained in each room used for children in care to sleep.

Subd. 18. **Stairways.** All family child care programs with stairways must:

(1) have handrails on at least one side of stairways of four or more steps;

(2) enclose any open area between the handrail and stair tread with a protective guardrail as specified in the State Building Code. The back of the stair risers must also be enclosed;

(3) use gates at the top and bottom of stairways when children who are six to 18 months old are in care; and

(4) keep stairways well lit, in good repair, and free of clutter and obstructions.

Subd. 19. **Lofted spaces.** Decks, balconies, or lofts that are used by children and are more than 30 inches above the ground or floor must be surrounded by a protective guardrail and be constructed in compliance with the State Building Code. The State Building Code allows appropriate openings for access to the spaces under this subdivision, such as a doorway or a gate. Wooden decks must be free of splinters and in good repair.

Subd. 20. **Locks and latches.** (a) A door latch on a closet or other confining space must be able to be unlatched so that the door can be opened from inside the closet or other confining space.

(b) Every interior door lock must permit opening of the locked door from the outside and the opening device must be readily accessible to all caregivers.

(c) Exit doors must not have double cylinder locks where a key is required on both sides.

(d) Locks may not be used in place of supervision.

Subd. 21. **Tobacco products, cannabis, vaping, drugs, and alcohol use prohibitions.** (a) Smoking of tobacco, cannabis, or any other product, including through electronic delivery devices, is prohibited in both indoor and outdoor family child care program environments and in any vehicles used by the family child care program during hours of operation.

(b) The use of alcohol or illegal or recreational drugs is prohibited on the premises of a family child care program during hours of operation.

(c) If the license holder allows smoking of tobacco, cannabis, or any other product, including through electronic delivery devices, on the premises outside of child care hours, the license holder must verbally provide notice to parents and must post written notice in an obvious location disclosing this information.

(d) While caring for children, a caregiver must not be under the influence of any substance that impairs the individual's ability to supervise children or perform the individual's duties.

Sec. 15. **[142I.15] CLEANING AND DISINFECTING.**

Subdivision 1. **General requirements.** (a) The family child care program must be free from accumulations of dirt, peeling paint, visible or known debris, soiled items, hazardous clutter, and pet waste.

(b) Disinfectants must:

(1) not be used prior to or in place of cleaning compounds;

(2) be mixed and used according to the manufacturer's instructions; and

(3) be used on surfaces that are contaminated with bodily fluids.

Subd. 2. **Toys.** A caregiver must clean and disinfect a toy that has been in a child's mouth prior to use by another child. Toys that come into contact with bodily fluids must be cleaned and disinfected prior to next use. Toys must be cleaned and disinfected as needed if there are visible or known contaminants or debris on them.

Subd. 3. **Food and eating areas.** Surfaces and tools that are used for preparing or serving food must be cleaned.

Subd. 4. **Indoor and outdoor equipment.** (a) The indoor and outdoor space and equipment of the family child care program must be clean.

(b) Natural features, elements, and materials used as equipment and play materials for outdoor play under section 142I.14, subdivision 3, are exempt from being clean, as defined under section 142I.01, subdivision 16. A caregiver must inspect natural features, elements, and materials used for outdoor play for hazardous objects and other safety hazards, including animal feces, and remove or mitigate the hazard before a child's use.

Subd. 5. **Sleeping.** Bedding, as defined in section 142I.17, subdivision 10, must be cleaned and disinfected at least weekly or when visibly dirty.

Subd. 6. **Toilet training equipment.** Toilet training chairs and seats must be cleaned and disinfected after each use.

Subd. 7. **Hand washing.** (a) A child's hands must be washed with soap and running water when soiled, after the use of a toilet or toilet training chair, and before eating a meal or snack. The caregiver

must monitor and assist a child who needs help. Children's hands must be dried on a separate or single-use towel.

(b) In sinks and tubs accessible to children, the water temperature must not be able to exceed 120 degrees Fahrenheit.

(c) Caregivers must wash their hands with soap and water after each diaper change, after assisting a child on the toilet, after washing the diapering surface, and before food preparation. The caregiver's hands must be dried on a separate or single-use towel.

Subd. 8. **Diapers, changing areas, and disposal.** (a) An adequate supply of clean diapers must be available for each child who uses diapers. Diapers may be disposable or made of cloth. Diapers must be stored in a clean space that is inaccessible to children.

(b) If a family child care program uses cloth diapers, then:

(1) the cloth diapers must have an absorbent inner layer that is completely covered with an outer waterproof layer that has a waist closure;

(2) the cloth diaper and waterproof layer must be changed at the same time; and

(3) the cloth diapers supplied by parents, except those supplied by a commercial diaper service, must be labeled with the child's name and must be placed in a plastic bag after removal with any soiled clothing and sent home with the parent daily.

(c) Single-service disposable wipes or clean washcloths must be used for washing a soiled child before rediapering.

(d) The diaper changing area must be covered with a smooth, nonabsorbent surface. Changing tables, changing pads, and other diaper changing areas must be cleaned and disinfected between children, even if using a nonabsorbent covering that is discarded after each use. Diapering must not take place in a food preparation area.

(e) Disposable diapers must be disposed of in a covered container located in the diaper changing area and lined with a disposable plastic bag or directly outdoors in a garbage can.

Sec. 16. **[142I.16] ENVIRONMENTAL HEALTH.**

Subdivision 1. **Water supply.** (a) All family child care programs must have a safe water supply.

(b) Family child care programs that draw water from privately owned wells must test the water annually by a Department of Health-certified laboratory for coliform bacteria and nitrate nitrogen and receive confirmation that the water is safe. The family child care program must submit a copy of the test results with the agency. Retesting and corrective measures may be required by the agency if results do not meet state drinking water standards or where the supply may be subject to off-site contamination. A copy of the most recent water testing results must be kept on the licensed premises. If the water test results are at or above Department of Health-recommended levels or if the license holder declines to test the water supply in the program, the license holder must:

(1) supply bottled or packaged water;

(2) use water filtration devices that have been certified by the National Science Foundation or American National Standards Institute to remove the contaminant. The water filtration device must be attached directly to water faucets, inserted into the refrigerator water dispenser, or inserted into water pitchers or bottles. The water filtration device must be maintained according to manufacturer guidelines; or

(3) close the family child care program to prevent children from using or consuming unsafe water.

Subd. 2. **Radon testing.** (a) The license holder must notify parents whether radon testing has been conducted in the family child care program upon enrollment and within 30 days of any subsequent testing done after enrollment.

(b) When notifying parents, the license holder must use a form prescribed by the commissioner. The notice must include information from the Department of Health about what radon is and the potential risks associated with radon exposure. If testing has been completed, the notice must include:

(1) the date of the most recent test;

(2) the rooms or areas tested; and

(3) the detected radon level or levels, stated in picocuries per liter (pCi/L).

(c) A copy of the most recent notice to parents and the radon test results must be kept on site and made available to parents and the commissioner upon request.

(d) The notification requirements under this subdivision may be met by posting the form in a prominent place.

Sec. 17. **[142I.17] ACTIVITIES AND EQUIPMENT.**

Subdivision 1. **General activities.** Child care activities must provide for the physical, intellectual, emotional, and social development of the children in care at a family child care program. Activities must include infants, toddlers, preschoolers, and school-age children and:

(1) be scheduled indoors and outdoors daily, weather permitting. When determining if the weather permits outdoor play, a license holder must defer to weather advisory notifications, including air quality emergencies, provided by local weather experts, local or state authority on air quality, or public health;

(2) be appropriate to the age and developmental stage of the child;

(3) include active and quiet activity; and

(4) include both caregiver- and child-directed activities.

Subd. 2. **Equipment.** (a) A license holder must provide children in a family child care program with:

(1) sufficient play equipment to allow each child a choice of at least three activities involving equipment when all children are using equipment;

(2) early learning materials, play equipment, and space that are age and developmentally appropriate and support understanding of the culturally diverse world; and

(3) play equipment that is safe, in good repair, and used in accordance with the manufacturer's instructions, if applicable. Equipment and play materials not designed or marketed for use by children, including but not limited to repurposed, homemade, and open-ended items, must be appropriate to the age and size of children, in good repair, and used under the supervision of a caregiver. Such equipment and play materials are not required to have manufacturer's instructions and are subject to the requirements of this subdivision.

(b) Equipment provided to children under this section may be new, used, commercially made, or homemade. The equipment must be appropriate for the ages of the children and for the activities for which it will be used. As appropriate, nature material may be used in place of any equipment.

Subd. 3. **Newborn or infant activities.** A caregiver must:

(1) hold a newborn or infant during feedings until the child can hold the bottle. A bottle cannot be propped up for a newborn or infant;

(2) respond to a newborn's or infant's attempts to communicate;

(3) develop infant language and communication by responding to a newborn's or infant's attempts to communicate by mirroring similar sounds, sharing the child's focus of attention, talking to the newborn or infant, naming objects, and describing actions;

(4) provide a newborn or infant with freedom of movement to sit safely and comfortably, crawl, toddle, walk, and play both indoors and outdoors throughout the day;

(5) provide a newborn or infant an opportunity to stimulate the senses by providing a variety of activities and objects to see, touch, feel, smell, hear, and taste;

(6) provide activities for a newborn or infant that develop the child's manipulative and fine motor skills;

(7) provide activities for self-awareness;

(8) provide activities to support a newborn or infant to develop social-emotional skills;

(9) provide activities to support a newborn or infant to develop gross motor skills; and

(10) allow a newborn or infant actively supervised tummy time. For the purposes of this clause, "tummy time" means placing a newborn or infant in a nonrestrictive prone position, lying on their stomach. Tummy time should occur throughout the day when a newborn or infant is awake. A newborn or infant must not be wearing anything to restrict movement during tummy time.

Subd. 4. **Newborn and infant equipment.** When caring for newborns or infants, a license holder must provide:

(1) an infant seat or high chair, as appropriate, for each newborn and infant in attendance;

(2) a crib or portable crib with a mattress or pad for each newborn and infant in attendance that is in compliance with current Consumer Product Safety Commission safety standards and chapter 142B.45. The license holder must maintain documentation on site that the equipment used meets these requirements and provide it to the commissioner and parents as requested;

(3) books and literacy materials;

(4) gross motor activity equipment; and

(5) fine motor activity materials.

Subd. 5. **Toddler activities.** When caring for toddlers, a license holder must:

(1) provide the toddler with freedom of movement and freedom to explore outside the crib or portable crib and allow the toddler to comfortably sit, crawl, toddle, walk, and play according to the toddler's stage of development;

(2) talk to, listen to, and interact with the toddler to encourage language development;

(3) provide the toddler with activities that develop the toddler's fine and gross motor skills;

(4) give the toddler opportunities to stimulate the senses by providing a variety of age-appropriate activities and objects to see, touch, feel, smell, hear, and taste; and

(5) provide activities to support the toddler to develop social-emotional skills.

Subd. 6. **Toddler equipment.** When caring for toddlers, a license holder must provide:

(1) separate sleeping equipment for each toddler such as a mat, crib, cot, bed, sofa, or sleeping bag that is cleaned and maintained as required in subdivision 11 and section 142I.15, subdivision 5;

(2) gross motor play equipment;

(3) books and literacy materials;

(4) fine motor, math, and science materials; and

(5) music, movement, and art activity materials.

Subd. 7. **Preschooler activities.** When caring for preschoolers, a license holder must:

(1) encourage conversation between the preschooler and other children and adults;

(2) provide opportunity to play near and with other children, provide time and space for individual and group play, allow for quiet times to talk or rest, and allow for unplanned time and individual play time;

(3) foster understanding of personal and peer feelings and actions and allow for the constructive release of a range of feelings through discussion or play;

(4) give assistance in toileting and provide time to carry out self-help skills and provide opportunities to be responsible for activities;

(5) provide opportunities for each preschooler to make decisions about daily activities and to learn from the decision-making experiences;

(6) provide time and areas for age-appropriate gross motor play;

(7) provide learning, fine-motor, manipulative, creative, or sensory activities; and

(8) read stories, look at books, and talk about new words and ideas with the preschooler.

Subd. 8. **Preschooler equipment.** When caring for preschoolers, a license holder must provide:

(1) separate sleeping equipment for each preschooler such as a mat, bed, cot, sofa, or sleeping bag for each preschooler that is cleaned and maintained as required under subdivision 11 and section 142I.15, subdivision 5;

(2) dramatic play equipment;

(3) books and literacy materials;

(4) fine motor materials;

(5) gross motor play equipment;

(6) math materials;

(7) science materials;

(8) music and movement materials; and

(9) art materials.

Subd. 9. **School-age activities and equipment.** When caring for school-age children, a license holder must:

(1) provide opportunities for individual discussion about the day and planning for activities;

(2) provide space, opportunities, and materials or equipment for games, activities, or sports using the whole body;

(3) have available space, bedding materials, and opportunities for individual rest and quiet time required under subdivision 11;

(4) allow increased freedom as the school-age child demonstrates increased responsibility;

(5) provide opportunities for group experiences with other children;

(6) provide opportunities to develop or expand self-help skills or real-life experiences; and

(7) provide opportunities and materials for creative and dramatic activity, arts, and crafts.

Subd. 10. **Natural elements and materials.** (a) A license holder may provide children with access to natural elements and materials as equipment and play materials. Natural elements and materials and appropriate uses of natural elements and materials include, but are not limited to:

(1) natural loose parts, such as sticks, leaves, pinecones, acorns, seeds, pods, bark, and moss for construction, art, sensory exploration, and imaginative play;

(2) natural materials, such as dirt, mud, sand, water, ice, and snow for sensory play and exploration;

(3) plants, flowers, seeds, vegetables, and gardening materials for science exploration and learning;

(4) rocks, pebbles, stones, and minerals for counting, sorting, building, and art;

(5) natural areas such as gardens, prairie, forest, wetlands, and ponds for exploration and learning; and

(6) other natural elements as appropriate to age and development of children.

(b) A caregiver must supervise a child's use of natural elements and materials and provide guidance on safe and appropriate use. Natural elements and materials that are a choking hazard must not be accessible to children under the age of three without direct supervision of a caregiver.

(c) Natural elements and materials may qualify as equipment and materials under subdivisions 4, 6, 8, and 9.

Subd. 11. **Bedding.** Clean, separate, and individual bedding such as sheets, towels, blankets, or sleeping bags must be available for each child in care. For children not using cribs or portable cribs, the license holder must provide developmentally appropriate mats, cots, or other sleep equipment that can be cleaned and disinfected according to section 142I.15. Mats, cots, and other sleep equipment used in the family child care program must be in good condition and have no tears or holes and be covered in individual bedding.

Subd. 12. **Separation of personal articles.** Separate towels, wash cloths, water bottles, and drinking cups must be used for each child and labeled appropriately.

Sec. 18. **[142I.18] INFANT SLEEP AND CRIB REQUIREMENTS.**

Subdivision 1. **Safety.** All caregivers must follow the crib safety requirements in section 142B.45 and the requirements to reduce the risk of sudden unexpected infant deaths in section 142B.46. During routine licensing inspections and when investigating complaints regarding alleged violations of this section, the commissioner must review the license holder's documentation required under section 142B.45.

Subd. 2. **Monitoring sleeping newborns and infants.** (a) Caregivers must directly supervise newborns once they are placed in a crib or portable crib.

(b) License holders of programs that serve infants are encouraged to monitor sleeping infants by conducting in-person checks on each infant in the license holder's care every 30 minutes.

(c) Upon enrollment of an infant, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes during the first four months of care.

(d) When an infant has an upper respiratory infection, the license holder is encouraged to conduct in-person checks on the sleeping infant every 15 minutes throughout the hours of sleep.

(e) Monitors may be used to supervise infants when the infants are sleeping. However, the use of monitors does not replace the in-person checks encouraged under paragraphs (b) to (d). When in use, monitors must meet the following conditions:

(1) the sound monitoring equipment must be able to pick up the sounds of all infants in the separate room;

(2) the receiver of the sound monitoring equipment must be actively monitored by the adult caregiver at all times; and

(3) sound monitoring equipment must be checked daily prior to use to ensure it is working correctly. If the sound equipment is not functioning, infants must sleep in the same room as the adult caregiver.

(f) If music or other sounds are played in the infant sleep area, the music or other sound equipment must not be played at a volume that would prevent infants from being heard by the adult caregiver. This paragraph applies to fans used to create sound.

Sec. 19. **[142I.19] HEALTH POLICIES AND SAFETY REQUIREMENTS.**

Subdivision 1. **Handling and disposal of bodily fluids.** (a) Surfaces that come in contact with bodily fluids must be cleaned and disinfected as described in section 142I.15.

(b) Blood-contaminated material must be disposed of in a plastic bag and securely tied.

(c) If a program cares for a child with a health care need that requires injectable medication, the program must have a sharps container available.

(d) A license holder must keep disposable gloves, disposal bags, and eye protection available. Prescription eyewear does not meet the requirements of this paragraph.

Subd. 2. **Emergencies.** (a) A license holder must have a written child care emergency plan for emergencies that require evacuation, sheltering, or other protection of children, including for fires, natural disasters, intruders, or other threatening situations that may pose a health or safety hazard to children. The plan must be written on a form prescribed by the commissioner and updated at least annually. The plan must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent of an evacuation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitate easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train each caregiver on the child care emergency plan before the caregiver provides care and document this training. The information must be reviewed at least annually and updated when information changes.

(c) The child care emergency plan must be available for review by the agency during inspections.

(d) In addition to the emergency plan required under paragraph (a), the license holder must maintain preparedness for emergencies. An operable telephone must be located in the family child care program. A cellular telephone may be used if it is sufficiently charged for use at all times. Emergency phone numbers for parents must be readily available within the program and taken on all emergency drills and evacuations.

(e) For severe storms and tornadoes, the license holder must have a designated area that children can go to for shelter, a battery-operated flashlight, and a portable radio or TV available. An application on a smartphone may be used to meet the requirements of this paragraph. The license holder must follow guidance and instructions from the Emergency Alert System or local alerting systems.

(f) The license holder must have a written fire escape plan that includes:

(1) the address of the family child care program;

(2) emergency phone numbers;

(3) a designated place to meet and confirm that all children in attendance are present;

(4) fire extinguisher locations;

(5) plans for monthly fire and storm drills; and

(6) escape routes to the outside from all levels used by children. In buildings with three or more dwelling units, enclosed exit stairs must be indicated.

(g) The license holder must complete a monthly fire and storm drill and have documentation of completed fire drills available for review by the agency during inspections. The log must include

the date of the drill, the time of day the drill occurred, the name of the caregiver who conducted the drill, and the length of time taken to evacuate all children safely.

Subd. 3. **Transporting children.** Children must only be transported in an enclosed passenger vehicle capable of using car seats or a bus operated by a common carrier. When transporting children in an enclosed passenger vehicle other than a bus operated by a common carrier, a license holder must:

(1) ensure compliance with all seat belt and child passenger restraint system requirements under sections 169.685 and 169.686;

(2) ensure that the child is fastened in a safety seat, seat belt, or harness appropriate to the age and weight of the child and the restraint is installed and used in accordance with the manufacturer's instructions;

(3) only use a vehicle licensed in accordance with the laws of the state and driven by a caregiver with a current, valid driver's license. A copy of the current driver's license for each caregiver who transports a child in care must be kept at the family child care program;

(4) receive written permission to transport children from parents prior to transport; and

(5) not allow a child to remain unattended in any vehicle.

Subd. 4. **Pets and animals.** When keeping pets or animals on the site of a family child care program or allowing children to have contact with pets or animals, the primary provider of care must:

(1) maintain the pets or animals in good health and proper housing. Pets or animals must be appropriately immunized, and rabies vaccinations must be documented with a current certificate from a veterinarian when appropriate;

(2) follow all local and state ordinances regarding the keeping, licensing, number, and health status of animals;

(3) restrict any animals that pose a risk of injury or illness to children from indoor and outdoor areas used by children;

(4) inform parents in writing of the presence of pets and animals on the premises. If pets or animals are allowed to roam in areas occupied by children, the license holder must obtain written acknowledgment from parents. Parents must be notified in writing prior to the introduction of a new pet;

(5) keep any reptiles, amphibians, ferrets, poisonous animals, psittacine birds, exotic animals, and wild animals inaccessible to children. Licensed animal exhibitions, such as mobile petting zoos, reptile shows, and educational presentations are exempt from this clause with written parental notice and consent;

(6) not allow any contact between children and pets or animals that is not directly supervised by an adult caregiver who is in close physical proximity and able to immediately intervene if the child or animal shows distress or aggression or if the child is treating the animal inappropriately;

(7) immediately intervene to protect a child when necessary;

(8) prevent pets and animals from accessing food preparation, storage, and serving areas when food is being prepared or served, unless confined in a cage or kennel. Litter boxes are prohibited in any food preparation, storage, or serving areas;

(9) keep indoor and outdoor areas accessible to children free of animal waste, including litter boxes and their contents. Pet cages, enclosures, and aquariums accessible to children must be located and cleaned away from food areas;

(10) immediately notify a parent of a child who receives an animal bite or scratch;

(11) notify the local animal authority whenever an individual is bitten by an animal on the day of injury. The notification must be made before any steps are taken to euthanize the animal, and the license holder must take reasonable steps to confine the animal; and

(12) notify the licensing agency within 24 hours of any animal bite from an animal housed at the family child care program.

Subd. 5. **Pest control.** (a) A license holder must take effective measures to protect the family child care program against pests. The license holder must take steps to prevent attracting pests and, if pests are present inside the family child care program, to remove or exterminate the pests.

(b) Chemicals for pest control must not be applied in areas accessible to children when children are present. The license holder must use chemicals according to manufacturer instructions. Only approved, Environmental Protection Agency-registered insecticides, rodenticides, and herbicides may be used. Application must strictly follow all label instructions.

Subd. 6. **Garbage.** Garbage must be inaccessible to infants and toddlers. Garbage is considered inaccessible when the garbage container has a lid on.

Subd. 7. **Firearms.** (a) All caregivers, parents, household members, and visitors to a family child care program must comply with the requirements of this subdivision during program hours.

(b) Ammunition and firearms must be stored in locked areas separated from areas accessible to children. Firearms must be unloaded while stored.

(c) License holders must notify parents upon admission of the presence of firearms. If a firearm is added to the property, a license holder must notify parents by the end of the following business day.

(d) Loaded and unloaded firearms may be carried by a law enforcement official who is a household member or a parent of a child in care and can document that their jurisdiction requires ready and immediate access to the firearm.

Subd. 8. **First aid kit.** A license holder must have a first aid kit that is accessible to caregivers in the family child care program at all times and taken on field trips. A caregiver must have access to first aid instructions. The first aid kit must contain:

(1) adhesive bandages in assorted sizes and tape;

(2) sterile compresses;

(3) scissors;

(4) an ice bag or cold pack;

(5) a thermometer;

(6) mild liquid soap, hand sanitizer, or alcohol wipes; and

(7) disposable powder-free, latex-free gloves.

Subd. 9. **Care of sick children.** (a) If the child becomes sick while at the family child care program, the child must be separated from other children in care to the extent possible while still maintaining appropriate supervision, and the child's parent must be called immediately. When determining if a child is sick and exclusion is necessary, a license holder must follow:

(1) the requirements on reportable diseases in Minnesota Rules, parts 4605.7040, 4605.7070, and 4605.7080; and

(2) the guidelines from the commissioner of health on infectious diseases in child care settings.

(b) When notified a child in care is sick with a reportable disease under Minnesota Rules, part 4605.7040, 4605.7050, or 4605.7080, the license holder must:

(1) follow the family child care program policies on reportable or infectious diseases; and

(2) notify the commissioner of health within 24 hours of receiving the parent or staff report. Documentation of the notification must be kept at the family child care program.

(c) Children with a reportable disease in paragraph (b) must be excluded from the family child care program for the length of time specified in the commissioner of health guidelines on infectious diseases in child care settings, until the child can participate in routine activities without more caregiver supervision than usual or until the child's health care provider determines that exclusion is no longer necessary, whichever is longer.

Subd. 10. **Medication administration requirements.** (a) A license holder must obtain written permission from the parent of a child prior to administering nonprescription medicine, diapering products, sunscreen lotions, and insect repellents. These items must be administered according to the manufacturer instructions unless written instructions for their use are provided by a health care provider.

(b) A license holder must obtain and follow written instructions from a health care provider or dentist prior to administering each prescribed medication. For the purposes of this paragraph, "instructions" means the label on a medicine container with the child's name and current prescription information.

Sec. 20. **[142I.20] FOOD AND NUTRITION.**

Subdivision 1. **Feeding.** (a) Bottles of frozen breast milk or formula must be thawed under warm running water, in a container of warm water, with a warming device, or in a refrigerator. Thawed milk must be used, sent home, or disposed of the same day it is thawed.

(b) Caregivers must not warm plastic bottles, sippy cups, or other plastic food containers in a microwave.

(c) Once bottle feeding is complete, any unused portion must be disposed of or stored inaccessible to children in care. Bottles provided by or stored at the family child care program must be washed prior to the next use.

(d) Caregivers must not serve food to infants or toddlers using polystyrene foam (Styrofoam) cups, bowls, or plates.

Subd. 2. **Milk.** Cow's milk served to children in care must be pasteurized. Milk alternatives that are nutritionally equivalent to cow's milk can be served in place of milk for children who require it.

Subd. 3. **Drinking water.** Drinking water from a safe source according to section 142I.16 must be readily available and offered to the children throughout the day in indoor and outdoor areas.

Subd. 4. **Meals and snacks.** (a) Well-balanced meals and snacks must be supplied by the license holder or parents daily. Every meal and snack served to children in care must meet the following requirements:

(1) breakfast must contain at least three of the following:

(i) pasteurized milk or milk alternatives;

(ii) vegetables;

(iii) fruit; or

(iv) grains;

(2) lunch and dinner must contain at least four of the following:

(i) pasteurized milk or milk alternatives;

(ii) meat or meat alternatives;

(iii) vegetables;

(iv) fruit; or

(v) grains; and

(3) snacks must contain at least two of the following:

(i) pasteurized milk or milk alternatives;

(ii) meat or meat alternatives;

(iii) vegetables;

(iv) fruit; or

(v) grains.

(b) Food, liquids, and bottles brought from home must be labeled with the first and last name of each child.

(c) Flexible feeding schedules must be provided for infants.

(d) When special diets are required for cultural, religious, or medical reasons, the provider must obtain written, dated, and signed instructions from the child's parent.

Subd. 5. **Food and liquid safety.** (a) Food and liquids must be handled and stored properly to prevent contamination and spoilage. Foods and liquids requiring refrigeration must be refrigerated and maintained at no more than 40 degrees Fahrenheit. Food requiring heating must be maintained at no less than 140 degrees Fahrenheit until ready to serve. Frozen foods must be kept frozen until use and cooked according to the manufacturer's instructions.

(b) Appliances used in food and liquid storage and preparation must be safe and clean.

(c) All canned food provided by the license holder must be commercially processed. Locally grown fresh and frozen fruits and vegetables may be served at the family child care program. Food canned or preserved at home and home-butchered meats, poultry, and fish may not be served to children in care.

Sec. 21. **[142I.21] CHILDREN WITH SPECIAL HEALTH CARE NEEDS OR DISABILITIES.**

(a) For children with disabilities who require therapy, additional behavior guidance, programming, or alternative accommodations, a parent or health care provider must provide written instructions for the license holder to follow.

(b) All activities must be designed to include all children unless a specific medical contraindication exists.

(c) All caregivers responsible for the care of a child with a disability or special health care need must explain to a parent and the agency how the child's specific needs are being met.

(d) Before enrolling a child for care, the license holder must obtain documentation of any known allergies on a form prescribed by the commissioner. The form must be readily available to all caregivers and reviewed by the license holder and each caregiver annually and when any updates or changes are made.

(e) If a child has a known allergy, the primary provider of care must maintain current information about the allergy in the child's record, ensure that required medication is on hand, and follow the allergy plan signed by a treating medical professional. The child's plan must include:

(1) a description of the allergy;

(2) specific triggers and avoidance techniques;

(3) symptoms of an allergic reaction; and

(4) procedures for responding to an allergic reaction, including any medication and dosage to be administered in an emergency situation.

(f) A caregiver must call emergency medical services when epinephrine is administered to a child in the license holder's care.

(g) The caregiver must contact the child's parent immediately after any instance of exposure to an allergen or allergic reaction.

Sec. 22. **[142I.22] COMMUNITY-BASED FAMILY CHILD CARE.**

(a) A family child care program located on a site other than the license holder's primary residence must be licensed under this section if:

(1) the family child care program is conducted in a dwelling on a residential lot or in a commercial space other than the license holder's primary residence;

(2) the license holder is an organization, employer, church, or religious entity; or

(3) the license holder is a community collaborative child care provider. For purposes of this clause, a "community collaborative child care provider" is a provider participating in a cooperative agreement with a community action agency as defined in section 142F.301.

(b) Programs licensed under paragraph (a) must comply with local zoning regulations, the applicable State Fire Code, and the State Building Code. Any age and capacity limitations established by the fire code must be printed on the license.

(c) A license holder under this section must designate at least one primary provider of care as follows:

(1) one individual for programs operating eight or fewer hours per day;

(2) up to two individuals for programs operating more than eight but no more than 16 hours per day; and

(3) up to three individuals for programs operating more than 16 hours per day.

(d) The license issued under this section must include the statement: "This community-based family child care license holder is not licensed as a child care center."

(e) The commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder independently meets all applicable requirements. Each family child care program must operate as a distinct family child care program within its licensed capacity,

age, and ratio limits as determined by the state fire marshal. Only one license may be issued per single-family residential home.

(f) The license holder must notify the commissioner in writing before any change in the persons designated as primary providers of care. A primary provider of care is authorized to communicate with the commissioner on licensing matters.

(g) Each license holder must complete the commissioner-developed community-based family child care program plan at the time of initial application, review the plan each calendar year, and update the plan before any change in program information occurs.

Sec. 23. **REVISOR INSTRUCTION.**

(a) The revisor of statutes must make any necessary changes to statutory cross-references to reflect the changes in this article.

(b) The revisor of statutes must replicate the statutory history for all sections and subdivisions repealed and reenacted in this article.

Sec. 24. **REPEALER.**

(a) Minnesota Statutes 2024, sections 142B.01, subdivision 13; 142B.41, subdivisions 4 and 8; 142B.62; 142B.70, subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, and 12; 142B.71; 142B.72; 142B.74; 142B.75; 142B.76; and 142B.77, are repealed.

(b) Minnesota Statutes 2025 Supplement, sections 142B.41, subdivision 9; and 142B.70, subdivisions 7 and 8, are repealed.

(c) Minnesota Rules, parts 9502.0300; 9502.0315; 9502.0325; 9502.0335; 9502.0341; 9502.0345; 9502.0355; 9502.0365; 9502.0367; 9502.0375; 9502.0395; 9502.0405; 9502.0415; 9502.0425; 9502.0435; and 9502.0445, are repealed.

Sec. 25. **EFFECTIVE DATE.**

This article is effective July 1, 2027.

ARTICLE 8

MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT CHANGES

Section 1. Minnesota Statutes 2024, section 260.63, subdivision 10, is amended to read:

Subd. 10. **Disproportionately represented child.** "Disproportionately represented child" means a person who is under the age of 18 and who is a member of a community whose race, ~~culture,~~ ethnicity, disability status, or low-income socioeconomic status is disproportionately encountered, engaged, or identified in the child welfare system as compared to the representation in the state's total child population, as determined ~~on an annual basis~~ by the commissioner under section 260.631. A child's race~~, culture,~~ or ethnicity ~~is~~ may also be determined ~~based upon~~ by a child's

self-identification or identification of a child's race~~, culture,~~ or ethnicity as reported by the child's parent or guardian.

Sec. 2. **[260.631] DETERMINATIONS.**

Subdivision 1. **Determination of disproportionate representation.** (a) The commissioner must determine the communities that are disproportionately represented in Minnesota's child protection system pursuant to this section for the purposes of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. In making this determination, the commissioner must consider the recommendations provided under paragraph (d). The commissioner's determination under this paragraph is in effect until the effective date of the next determination issued by the commissioner.

(b) The commissioner must make the initial determination under paragraph (a) by September 1, 2026, and then by September 1 on every even-numbered year thereafter.

(c) A responsible social services agency must use the commissioner's determination under paragraph (a) to determine whether a child meets the definition of a disproportionately represented child under section 260.63, subdivision 10.

(d) The African American Child and Family Well-Being Advisory Council must submit recommendations to the commissioner on the disproportionate representation of African American children in Minnesota's child protection system using state and federal census data. The council must provide its initial recommendations to the commissioner by August 1, 2026, and then provide recommendations by August 1 on every even-numbered year thereafter.

(e) If the commissioner makes a determination under paragraph (a) that differs from the recommendations provided by the African American Child and Family Well-Being Advisory Council under paragraph (d) regarding the disproportionate representation of African American children in Minnesota's child protection system, the commissioner must provide the reasons for diverging from the council's recommendations and identify the data the commissioner relied upon in making the determination of disproportionate representation. The commissioner must provide the information required under this paragraph to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(2) the African American Child and Family Well-Being Advisory Council;

(3) the Children's Justice Initiative; and

(4) responsible social services agencies statewide.

(f) By September 15, 2026, and every even-numbered year thereafter, the commissioner must notify responsible social services agencies, the African American Child and Family Well-Being Advisory Council, and the Children's Justice Initiative of the commissioner's determination under paragraph (a). The notification must include but is not limited to:

(1) a list of the communities the commissioner determined are disproportionately represented in Minnesota's child protection system and whether there are any changes from the previous notification;

(2) how a responsible social services agency must implement the commissioner's determination;

(3) the effective date of the commissioner's determination; and

(4) the method or methods the commissioner used, or the data the commissioner relied upon, to make the determination.

Subd. 2. **Definition of disability; low-income socioeconomic status.** (a) The commissioner must define what constitutes disability and low-income socioeconomic status for purposes of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The commissioner's definitions under this paragraph are in effect until the effective date of the next definitions issued by the commissioner.

(b) The commissioner must develop the initial definitions under paragraph (a) by September 1, 2026, and then by September 1 on every even-numbered year thereafter.

(c) A responsible social services agency must use the commissioner's definitions under paragraph (a) to determine whether a child meets the definition of a disproportionately represented child under section 260.63, subdivision 10.

(d) By September 15, 2026, and by September 15 on every even-numbered year thereafter, the commissioner must notify responsible social services agencies, the African American Child and Family Well-Being Council, and the Children's Justice Initiative of the definitions developed by the commissioner under paragraph (a). The notification must include but is not limited to:

(1) the definitions of disability and low-income socioeconomic status and whether there are any changes from the previous definitions;

(2) how a responsible social services agency must implement the commissioner's definitions;

(3) the effective date of the commissioner's definitions; and

(4) the method or methods the commissioner used, or the data the commissioner relied upon, to develop the definitions.

Subd. 3. **Determination of child's status.** The responsible social services agency must document the efforts the agency takes when determining whether a child meets or does not meet the definition of disproportionately represented child under section 260.63, subdivision 10, and must provide that information to the commissioner upon request.

Subd. 4. **Exempt from rulemaking.** Chapter 14 does not apply to determinations under this section.

Sec. 3. Minnesota Statutes 2024, section 260.64, subdivision 2, is amended to read:

Subd. 2. **Safety plan.** (a) Prior to petitioning the court to remove an African American or a disproportionately represented child from the child's home under section 260.66, a responsible social services agency must work with the child's family to allow the child to remain in the child's home while implementing a safety plan based on the family's needs. The responsible social services agency must:

(1) make active efforts to engage the child's parent or custodian and the child, when appropriate;

(2) assess the family's cultural and economic needs and, if applicable, needs and services related to the child's disability;

(3) hold a family group consultation meeting and connect the family with supports to establish a safety network for the family; and

(4) provide support, guidance, and input to assist the family and the family's safety network with developing the safety plan.

(b) The safety plan must:

(1) address the specific allegations impacting the child's safety in the home. If neglect, as defined in section 260E.03, subdivision 15, is alleged, the safety plan must incorporate economic services and supports for the child and the child's family, if eligible, to address the family's specific needs and prevent neglect;

(2) incorporate family and community support to ensure the child's safety while keeping the family intact; and

(3) be adjusted as needed to address the child's and family's ongoing needs and support.

(c) The responsible social services agency is not required to establish a safety plan:

(1) in a case with allegations of sexual abuse or egregious harm;

(2) when the parent is not willing to follow a safety plan;

(3) when the parent has abandoned the child or is unavailable to follow a safety plan; or

(4) when the parent has chronic substance use disorder issues and is unable to parent the child.

Sec. 4. Minnesota Statutes 2024, section 260.67, subdivision 2, is amended to read:

Subd. 2. **Termination of parental rights restrictions.** (a) A court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child based solely on the parent's failure to complete case plan requirements.

(b) Except as provided in ~~paragraph (c)~~ subdivision 3, a court shall not terminate the parental rights of a parent of an African American or a disproportionately represented child in a child placement proceeding unless the allegations against the parent involve sexual abuse; egregious harm as defined in section 260C.007, subdivision 14; murder in the first, second, or third degree under section 609.185, 609.19, or 609.195; murder of an unborn child in the first, second, or third degree

under section 609.2661, 609.2662, or 609.2663; manslaughter of an unborn child in the first or second degree under section 609.2664 or 609.2665; domestic assault by strangulation under section 609.2247; felony domestic assault under section 609.2242 or 609.2243; kidnapping under section 609.25; solicitation, inducement, and promotion of prostitution under section 609.322, subdivision 1, and subdivision 1a if one or more aggravating factors are present; criminal sexual conduct under sections 609.342 to 609.3451; engaging in, hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; solicitation of children to engage in sexual conduct under section 609.352; possession of pornographic work involving minors under section 617.247; malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378; use of a minor in sexual performance under section 617.246; or failing to protect a child from an overt act or condition that constitutes egregious harm.

Sec. 5. Minnesota Statutes 2024, section 260.68, subdivision 2, is amended to read:

Subd. 2. **Case review.** (a) ~~Each responsible social services agency~~ The commissioner shall conduct a review of ~~all child welfare~~ ten percent of each responsible social services agency's child protection cases for African American and other disproportionately represented children handled by ~~the agency. Each responsible social services agency shall create a summary report of trends identified under paragraphs (b) and (c), a remediation plan as provided in paragraph (d), and an update on implementation of any previous remediation plans. The first report shall be provided to the African American Child Well-Being Advisory Council, the commissioner, and the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare by October 1, 2029, and annually thereafter. For purposes of determining outcomes in this subdivision, responsible social services agencies shall use guidance from the commissioner. The commissioner shall provide guidance starting on November 1, 2028, and annually thereafter~~ responsible social services agencies. Responsible social services agencies must provide the commissioner with any information requested for the purposes of this subdivision in a form and within a time frame prescribed by the commissioner.

(b) The case review must include:

(1) the number of African American and disproportionately represented children represented in the county child ~~welfare~~ protection system;

(2) the number and sources of maltreatment reports received and reports screened in for investigation or referred for family assessment and the race of the children and parents or custodians involved in each report;

(3) the number and race of children and parents or custodians who receive in-home preventive case management services;

(4) the number and race of children whose parents or custodians are referred to community-based, culturally appropriate, strength-based, or trauma-informed services;

(5) the number and race of children removed from their homes;

(6) the number and race of children reunified with their parents or custodians;

(7) the number and race of children whose parents or custodians are offered family group decision-making services;

(8) the number and race of children whose parents or custodians are offered the parent support outreach program;

(9) the number and race of children in foster care or out-of-home placement at the time that the data is gathered;

(10) the number and race of children who achieve permanency through a transfer of permanent legal and physical custody to a relative or an adoption; and

(11) the number and race of children who are under the guardianship of the commissioner or awaiting a permanency disposition.

(c) The required case review must also:

(1) identify barriers to reunifying children with their families;

(2) identify the family conditions that led to the out-of-home placement;

(3) identify any barriers to accessing culturally informed mental health or substance use disorder treatment services for the parents or children;

(4) document efforts to identify fathers and maternal and paternal relatives and to provide services to custodial and noncustodial fathers, if appropriate; and

(5) document and summarize court reviews of active efforts.

(d) For any responsible social services agency ~~that has~~ the commissioner identifies in a case review as showing ~~disproportionality and~~ disparities in child welfare outcomes for African American and other disproportionately represented children and the children's families~~,~~ compared to the agency's overall outcomes, the commissioner must ~~include in their case review summary report~~ develop a remediation plan with the agency with measurable outcomes to identify, address, and reduce the factors that led to the ~~disproportionality and~~ disparities in the agency's child welfare outcomes. The remediation plan shall also include information about how the responsible social services agency will achieve and document trauma-informed, positive child well-being outcomes through remediation efforts.

(e) The commissioner shall create a summary report of trends identified under paragraphs (b) and (c), a summary of remediation plans developed as provided in paragraph (d), and an update on implementation of any previous remediation plans. The commissioner shall provide the first report to the African American Child Well-Being Advisory Council, the responsible social services agencies, and the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families by October 1, 2029, and annually thereafter.

Sec. 6. Minnesota Statutes 2024, section 260.69, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner of children, youth, and families must collaborate with the Children's Justice Initiative to ensure that cultural competency training is given

or made available to individuals working in the child welfare system, including child welfare workers and supervisors. Training ~~must~~ developed by the Child Welfare Training Academy may also be made available to attorneys, juvenile court judges, guardians ad litem, and family law judges. The commissioner must give priority to child welfare workers and supervisors for in-person trainings or other trainings with limited attendance or availability.

(b) This subdivision does not require the commissioner or the Child Welfare Training Academy to develop or provide training specifically for attorneys, juvenile court judges, guardians ad litem, family law judges, or any other individuals beyond the primary training audiences required to be served under Laws 2019, First Special Session chapter 9, article 1, section 37, subdivision 2, paragraph (e).

Sec. 7. Minnesota Statutes 2025 Supplement, section 260.691, subdivision 1, is amended to read:

Subdivision 1. **Establishment and duties.** (a) The African American Child and Family Well-Being Advisory Council is established for the Department of Children, Youth, and Families.

(b) The council shall consist of 31 members appointed by the commissioner and must include representatives with lived personal or professional experience within African American communities. Members may include but are not limited to youth who have exited the child welfare system; parents; legal custodians; relative and kinship caregivers or foster care providers; community service providers, advocates, and members; county and private social services agency case managers; representatives from faith-based institutions; academic professionals; a representative from the Council for Minnesotans of African Heritage; the Ombudsperson for African American Families; and other individuals with experience and knowledge of African American communities. Council members must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of council members are governed by section 15.059.

(c) The council must:

(1) review annual reports related to African American children involved in the child welfare system. These reports may include but are not limited to the maltreatment, out-of-home placement, and permanency of African American children;

(2) assist with and make recommendations to the commissioner for developing strategies to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote culturally appropriate foster care and shelter or facility placement decisions and settings for African American children in need of out-of-home placement, ensure timely achievement of permanency, and improve child welfare outcomes for African American children and their families;

(3) review summary reports on targeted case reviews prepared by the commissioner to ensure that responsible social services agencies meet the needs of African American children and their families. Based on data collected from those reviews, the council shall assist the commissioner with developing strategies needed to improve any identified child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency for African American children;

(4) make recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial ~~disproportionality and~~ disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Sec. 8. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 1, is amended to read:

Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing and complying with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(3) monitor individual county and statewide disaggregated and nondisaggregated data to identify trends and patterns in child welfare outcomes, including but not limited to reporting, maltreatment, out-of-home placement, and permanency of African American children and develop strategies to address ~~disproportionality and~~ disparities in the child welfare system;

(4) develop and implement a system for conducting case reviews when the commissioner receives reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act or when requested by the parent or custodian of an African American child. Case reviews may include but are not limited to a review of placement prevention efforts,

safety planning, case planning and service provision by the responsible social services agency, relative placement consideration, and permanency planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child and Family Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Sec. 9. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 2, is amended to read:

Subd. 2. **Case reviews.** (a) The African American Child and Family Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.

(b) The reviews under this subdivision must be conducted using a random sampling of representative child ~~welfare~~ protection cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child ~~welfare~~ protection cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child and Family Well-Being Advisory Council, and offering case consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Sec. 10. Minnesota Statutes 2025 Supplement, section 260.692, subdivision 3, is amended to read:

Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child and Family Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child and Family Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child and Family Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating ~~disparity and disproportionality~~ disparities for African American children.

Sec. 11. Minnesota Statutes 2024, section 260.693, subdivision 2, is amended to read:

Subd. 2. **Eligible services.** (a) Services eligible for grants under this section include but are not limited to:

(1) child out-of-home placement prevention and reunification services;

(2) family-based services and reunification therapy;

(3) culturally specific individual and family counseling;

(4) court advocacy;

(5) training for and consultation to responsible social services agencies and private social services agencies regarding this act;

(6) development and promotion of culturally informed, affirming, and responsive community-based prevention and family preservation services that target the children, youth, families, and communities of African American and African heritage experiencing the highest disparities~~,~~ ~~disproportionality,~~ and overrepresentation in the Minnesota child welfare system;

(7) culturally affirming and responsive services that work with children and families in their communities to address their needs and ensure child and family safety and well-being within a culturally appropriate lens and framework;

(8) services to support informal kinship care arrangements; and

(9) other activities and services approved by the commissioner that further the goals of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, including but not limited to the recruitment of African American staff and staff from other communities disproportionately represented in the child welfare system to work for responsible social services agencies and licensed child-placing agencies.

(b) The commissioner may specify the priority of an activity and service based on its success in furthering these goals. The commissioner shall give preference to programs and service providers that are located in or serve counties with the highest rates of child welfare ~~disproportionality~~ disproportionate representation for African American and other disproportionately represented children and their families and employ staff who represent the population primarily served.

Sec. 12. Laws 2024, chapter 117, section 21, is amended to read:

Sec. 21. **MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT; WORKING GROUP.**

(a) The commissioner of human services must establish a working group to provide guidance and oversight for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program.

(b) The members of the working group must include representatives from the Minnesota Association of County Social Service Administrators, the Association of Minnesota Counties, the Minnesota Inter-County Association, the Minnesota County Attorneys Association, Hennepin County, Ramsey County, the Department of Human Services, and community organizations with experience in child welfare. The legislature may provide recommendations to the commissioner on the selection of the representatives from the community organizations.

(c) The working group must provide oversight of the phase-in program and evaluate the cost of the phase-in program. The working group must also assess future costs of implementing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act statewide.

(d) By January 1, 2026, the working group must develop and submit an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare detailing initial needs for the implementation of the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. The interim report must also include recommendations for any statutory or policy changes necessary to implement the act.

(e) By September 1, 2026, the working group must develop an implementation plan and best practices for the Minnesota African American Family Preservation and Child Welfare Disproportionality Act to go into effect statewide.

(f) The working group under this section expires December 31, 2027.

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, section 260.63, subdivision 9, is repealed.

ARTICLE 9

HOSPITAL STABILIZATION

Section 1. Minnesota Statutes 2024, section 16A.103, is amended by adding a subdivision to read:

Subd. 1k. **Report on financial stability of hospitals.** The commissioner of management and budget, in consultation with the commissioner of health, must submit with each November forecast under this section a report on the financial stability of Minnesota's hospitals. The report must consider the core financial metrics of hospitals, expenses and staffing data, revenue, including payer mix, utilization data, financial liquidity and a balance sheet analysis, and other data determined by the commissioners. The report must include information about financially distressed hospitals and whether any hospitals in Minnesota are determined to be financially distressed.

Sec. 2. **[144.5911] HOSPITAL STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a hospital stabilization program to provide financial relief to hospitals that experience financial distress and a disproportionate level of uncompensated care.

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

(b) "Commissioner" means the commissioner of health.

(c) "Qualifying hospital" means a hospital:

(1) licensed under section 144.50;

(2) located within the state;

(3) that has filed a Medicare cost report in the Healthcare Cost Report Information System; and

(4) that meets at least one of the following criteria:

(i) four or more years of negative operating margins in the past eight years; or

(ii) a public payer mix, averaged over the past three years, of at least ... percent.

(d) "Qualifying uncompensated episode of care" means the provision by a qualifying hospital of one or more services that are covered under medical assistance to an individual during a single patient encounter or episode of care when the:

(1) individual is not enrolled in medical assistance, MinnesotaCare, or Medicare and does not have other health coverage;

(2) individual is determined to be ineligible for medical assistance and MinnesotaCare for the date of service following any retroactive eligibility determination; and

(3) total cumulative reimbursement amount for the services provided, if paid under medical assistance payment methodologies, would be at least $5,000 but not more than $50,000.

Subd. 3. **Application for payments.** (a) A qualifying hospital seeking payment under this section must submit to the commissioner documentation identifying qualifying uncompensated episodes of care within a reporting period.

(b) The reporting periods are:

(1) January 1 through June 30; and

(2) July 1 through December 31.

(c) The initial reporting period begins January 1, 2026.

(d) For services provided during the January 1 through June 30 reporting period, a qualifying hospital must submit the required documentation to the commissioner by September 15 of the same calendar year.

(e) For services provided during the July 1 through December 31 reporting period, a qualifying hospital must submit the required documentation to the commissioner by March 15 of the next calendar year.

(f) Qualifying hospitals must submit documentation in a form and manner specified by the commissioner and must provide supporting documentation as requested by the commissioner.

Subd. 4. **Calculation of payments.** (a) For each reporting period, the commissioner must determine each qualifying hospital's share of the total value of qualifying uncompensated episodes of care submitted under subdivision 3.

(b) The commissioner must distribute payments proportionally based on each qualifying hospital's share of the statewide total.

(c) A qualifying hospital must not receive more than ten percent of the money available for a reporting period.

(d) If money remains after the payment limitation in paragraph (c), the commissioner must redistribute the remaining money among qualifying hospitals that have not reached the limit in paragraph (c) in proportion to their share of the value of qualifying uncompensated episodes of care.

(e) The commissioner may establish procedures to reconcile adjustments, corrected claims, or late submissions in a subsequent reporting period.

Subd. 5. **Distribution of payments.** (a) One half of the annual appropriation for this program must be allocated to each reporting period.

(b) For the January 1 through June 30 reporting period, the commissioner must distribute payments no later than November 15 of the same calendar year.

(c) For the July 1 through December 31 reporting period, the commissioner must distribute payments no later than May 15 of the next calendar year.

Subd. 6. **Accountability requirements.** (a) The commissioner must collect from a qualifying hospital receiving payment under this section any information necessary to evaluate the appropriate use of funds. Such information must include at minimum:

(1) by December 31, 2026:

(i) a comprehensive financial analysis that describes the sources and magnitude of the factors that contributed to the qualifying hospital's financial distress;

(ii) long-term capital spending priorities, including mandatory maintenance and replacement of existing facilities and equipment; and

(iii) a strategic plan for long-term fiscal sustainability;

(2) on an ongoing basis, quarterly reports of financial information, including unaudited quarterly updates of audited information currently required to be submitted annually to the Department of Health and consolidated balance sheet information; and

(3) by June 30, 2027, a detailed analysis of how the funds were used for the purpose described in paragraph (b).

(b) The commissioner must require that a recipient of payment under this section uses funds to preserve regional and local access to essential health care services, including emergency care, inpatient hospital care, maternal care and obstetrical services, behavioral and mental health care, and primary care and clinic services.

(c) Upon receipt of notice by a qualifying hospital receiving payment under this section submitted pursuant to section 144.555, the commissioner must provide notice of the hospital's planned actions and documentation of the amount of any payment distributed to the hospital under this section to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy; and

(2) the majority and minority leaders of the senate and house of representatives.

Subd. 7. **Reporting requirements.** The commissioner must determine the reporting requirement for payments under this section in addition to those reporting requirements under section 16B.98, subdivision 12.

Subd. 8. **Prohibited uses.** Funds received under this section must not be used to:

(1) supplant any other funding sources; or

(2) increase the salary, benefits, or other discretionary payment to an officer, director, manager, or any other executive.

Sec. 3. **[144.5912] COMMUNITY-BASED SAFETY NET PROVIDER STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health must establish a community-based safety net provider stabilization program to provide financial relief to community-based safety net providers that experience a disproportionate level of uncompensated care.

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

(b) "Commissioner" means the commissioner of health.

(c) "Qualifying community-based safety net provider" means a:

(1) federally qualified health center under section 145.9269, subdivision 1;

(2) certified community behavioral health clinic under section 245.735; or

(3) community mental health center under section 256B.0625, subdivision 5.

(d) "Qualifying uncompensated episode of care" means the provision by a qualifying community-based safety net provider of one or more services that are covered under medical assistance to an individual during a single patient encounter or episode of care when the:

(1) individual is not enrolled in medical assistance, MinnesotaCare, or Medicare and does not have other health coverage;

(2) individual is determined to be ineligible for medical assistance and MinnesotaCare for the date of service following any retroactive eligibility determination; and

(3) total cumulative reimbursement amount for the services provided, if paid under medical assistance payment methodologies, would be at least $200 but not more than $2,000.

Subd. 3. **Application for payments.** (a) A qualifying community-based safety net provider seeking payment under this section must submit to the commissioner documentation identifying qualifying uncompensated episodes of care within the reporting period.

(b) The reporting periods are:

(1) January 1 through June 30; and

(2) July 1 through December 31.

(c) The initial reporting period begins January 1, 2026.

(d) For services provided during the January 1 through June 30 reporting period, a qualifying community-based safety net provider must submit the required documentation to the commissioner by September 15 of the same calendar year.

(e) For services provided during the July 1 through December 31 reporting period, a qualifying community-based safety net provider must submit the required documentation to the commissioner by March 15 of the next calendar year.

(f) Qualifying community-based safety net providers must submit documentation in a form and manner specified by the commissioner and must provide supporting documentation as requested by the commissioner.

Subd. 4. **Calculation of payments.** (a) For each reporting period, the commissioner must determine each qualifying community-based safety net provider's share of the total value of qualifying uncompensated episodes of care submitted under subdivision 3.

(b) The commissioner must distribute payments proportionally based on each qualifying community-based safety net provider's share of the statewide total.

(c) A qualifying community-based safety net provider must not receive more than ten percent of the money available for a reporting period.

(d) If money remains after the payment limitation in paragraph (c), the commissioner must redistribute the remaining money among qualifying community-based safety net providers that have not reached the limit in paragraph (c) in proportion to the community-based safety net provider's share of the value of qualifying uncompensated episodes of care.

(e) The commissioner may establish procedures to reconcile adjustments, corrected claims, or late submissions in a subsequent reporting period.

Subd. 5. **Distribution of payments.** (a) One half of the annual appropriation for this program must be allocated to each reporting period.

(b) For the January 1 through June 30 reporting period, the commissioner must distribute payments no later than November 15 of the same calendar year.

(c) For the July 1 through December 31 reporting period, the commissioner must distribute payments no later than May 15 of the next calendar year.

Sec. 4. **HENNEPIN HEALTHCARE STABILIZATION GRANT.**

Subdivision 1. **Establishment.** The commissioner of health must award a grant to Hennepin Healthcare to stabilize the HCMC operations, avoid closure of HCMC, ensure continuation of high-quality care for HCMC patients, and preserve access to essential services at HCMC that support the health care needs of the communities served by HCMC and the state of Minnesota.

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

(b) "Commissioner" means the commissioner of health.

(c) "HCMC" has the meaning given in Minnesota Statutes, section 383B.902.

(d) "Hennepin Healthcare" is the public corporation created by Minnesota Statutes, section 383B.901.

Subd. 3. **Accountability requirements.** (a) The commissioner must collect from Hennepin Healthcare any information necessary to complete the commissioner's reporting requirements under subdivision 4. Such information must include at minimum:

(1) a comprehensive financial analysis that describes the sources and magnitude of HCMC's fiscal instability;

(2) quarterly reports of financial information, including the following:

(i) unaudited quarterly updates of audited information currently required to be submitted annually to the Department of Health;

(ii) total inpatient gross revenues by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, self-pay, other third-party payers, and other payers;

(iii) deductions from revenue in total and by component, including but not limited to contractual adjustments, bad debt, charity care, restricted donations, and teaching allowances;

(iv) total capital expenditures by project;

(v) total number of inpatient days, outpatient visits, and discharges by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, other third parties, self-pay, and other payers;

(vi) total net patient revenues by payer, including Medicare, medical assistance, MinnesotaCare, commercial coverage, other third parties, self-pay, and other payers;

(vii) other operating revenue; and

(viii) nonoperating revenue net of nonoperating expenses;

(3) long-term capital spending priorities, including mandatory maintenance and replacement of existing facilities and equipment; and

(4) a strategic plan for long-term fiscal sustainability. The plan must include, at minimum, detailed proposals to:

(i) ensure the continued operation of critical specialized services by HCMC that are essential to Minnesota's comprehensive statewide hospital network of rural, regional, and safety net hospitals; and

(ii) transition governance and control of HCMC away from the Hennepin County Board of Commissioners acting as the governing board of Hennepin Healthcare System, Inc. and ensure long-term management stability of Hennepin Healthcare.

(b) Upon receipt of notice by HCMC provided pursuant to Minnesota Statutes, section 144.555, the commissioner must provide notice of HCMC's planned actions to:

(1) the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy; and

(2) the majority and minority leaders of the senate and house of representatives.

Subd. 4. **Reporting requirements.** (a) By January 15, 2027, and annually thereafter until January 15, 2030, the commissioner must report to the legislative committees with jurisdiction over health and human services finance and policy on:

(1) the financial stabilization of Hennepin Healthcare and HCMC, including recommendations to improve stabilization of those entities; and

(2) the financial stabilization of hospitals statewide, including recommendations to improve stabilization of those entities.

(b) By January 15, 2027, and annually thereafter until January 15, 2030, the legislative auditor must report to the legislative committees with jurisdiction over health and human services finance and policy to:

(1) confirm whether Hennepin Healthcare and HCMC:

(i) have met the requirements of this section; and

(ii) have adhered to the strategic plan for long-term fiscal sustainability provided under subdivision 3, paragraph (a), clause (4); and

(2) assess the overall financial health and stability of Hennepin Healthcare and HCMC.

(c) Hennepin Healthcare and HCMC must provide the commissioner and legislative auditor with all information and documents requested by the commissioner or legislative auditor for purposes of this subdivision.

Subd. 5. **Hospital stabilization program ineligibility.** HCMC is ineligible for payment under Minnesota Statutes, sections 144.5911 and 144.5912, in fiscal year 2027.

Sec. 5. **HENNEPIN HEALTHCARE FUTURE STRUCTURE AND GOVERNANCE ADVISORY TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The Hennepin Healthcare Future Structure and Governance Advisory Task Force is established to develop recommendations to the legislature regarding the future ownership, governance, and financing structure of Hennepin Healthcare System, Inc. (Hennepin Healthcare), including its integrated system of health care facilities and services that includes Hennepin County Medical Center (HCMC). The advisory task force must evaluate options that recognize HCMC as a regional and statewide public health and public safety asset that provides critical health care services, including Level I trauma care, hyperbaric medicine, treatment services for burns and complex wounds, comprehensive cancer care, accredited poison control services, and supports education and training of health care professionals in Minnesota.

Subd. 2. **Leadership; composition.** (a) The advisory task force must consist of 14 members appointed by the governor. Members must include:

(1) one member with expertise in health care sector leadership and state public health systems;

(2) three members with professional experience in hospital and clinical system operations, specifically those providing safety net care;

(3) three members with professional experience in health care finance and public health insurance programs;

(4) two members with professional experience in public sector governance and public authorities;

(5) three members representing the health care sector workforce; and

(6) two members representing patient and community perspectives, particularly communities disproportionately impacted by lack of access to health care.

(b) The governor must make appointments by August 1, 2026.

(c) Members appointed under this subdivision serve until the advisory task force expires.

Subd. 3. **Organization and meetings.** (a) The member appointed under subdivision 2, clause (1), must serve as chair of the advisory task force. The chair must convene the first meeting of the advisory task force by September 1, 2026. The advisory task force must meet at least once per month and more frequently at the call of the chair.

(b) Members of the advisory task force receive no compensation for their services but must be reimbursed as provided in Minnesota Statutes, section 15.059, for expenses incurred as a result of their duties as members of the advisory task force.

Subd. 4. **Duties and powers.** (a) The advisory task force must:

(1) evaluate the current governance structure of Hennepin Healthcare;

(2) evaluate governance and ownership models at hospital systems comparable to Hennepin Healthcare;

(3) evaluate financing and funding mechanisms to achieve sustainable, long-term funding of Hennepin Healthcare;

(4) engage public health stakeholders throughout the state, including but not limited to counties, health systems, labor organizations, patient and community representatives, state agencies, and experts in public finance and governance; and

(5) develop specific recommendations for structures of ownership, governance, and sustainable, long-term funding of Hennepin Healthcare, as well as strategies for any ownership or governance transitions and a timeline to implement such transitions.

(b) In conducting evaluations under paragraph (a), the advisory task force must consider a full range of potential ownership, governance, and structural models, including models that may involve regional, multicounty, state, or public authority ownership structures. Such evaluations are not limited to the ownership of Hennepin Healthcare by Hennepin County.

Subd. 5. **Administrative support.** The commissioner of health must provide meeting space and administrative services for the advisory task force. State agencies must provide technical assistance upon the request of the advisory task force.

Subd. 6. **Report.** By February 15, 2027, the advisory task force must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, taxation, and state government. The report must include the following at minimum:

(1) specific recommendations for structures of ownership, governance, and sustainable, long-term funding of Hennepin Healthcare, a fiscal analysis of all recommendations, and a timeline to implement such recommendations; and

(2) draft legislation necessary to implement the specific recommendations.

Subd. 7. **Expiration.** The advisory task force expires June 30, 2027, or upon submission of the required report, whichever is later.

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

Sec. 6. **APPROPRIATIONS.**

Subdivision 1. **Hospital stabilization program.** $114,800,000 is appropriated in fiscal year 2027 from the general fund to the commissioner of health for the hospital stabilization program under Minnesota Statutes, section 144.5911. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $700,000 in fiscal year 2027 is for the commissioner to administer the program.

Subd. 2. **Community-based safety net provider stabilization program.** $17,600,000 is appropriated in fiscal year 2027 from the general fund to the commissioner of health for the community-based safety net provider stabilization program under Minnesota Statutes, section 144.5912. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the commissioner to administer the program.

Subd. 3. **Hennepin Healthcare stabilization grant.** $49,950,000 in fiscal year 2026 and $99,650,000 in fiscal year 2027 are appropriated from the general fund to the commissioner of health for the Hennepin Healthcare stabilization grant. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $50,000 in fiscal year 2026 and $350,000 in fiscal year 2027 are for the commissioner to administer this grant.

Subd. 4. **Report on financial stability of hospitals.** $400,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of health to prepare the report on the financial stability of hospitals under section 16A.103, subdivision 1k.

Subd. 5. **Rural EMS uncompensated care pool payment program.** $14,900,000 in fiscal year 2027 is appropriated from the general fund to the Office of Emergency Medical Services for the rural EMS uncompensated care pool payment program under Minnesota Statutes, section 144E.55. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the director to administer the program.

Subd. 6. **Report on financial stability of hospitals.** $200,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of management and budget to prepare the report on the financial stability of hospitals under section 16A.103, subdivision 1k.

ARTICLE 10

MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 62Q.096, is amended to read:

62Q.096 CREDENTIALING OF PROVIDERS.

(a) If a health plan company has initially credentialed, as providers in its provider network, individual providers employed by or under contract with an entity that:

(1) is authorized to bill under section 256B.0625, subdivision 5;

(2) is a mental health clinic certified under section 245I.20;

(3) is designated an essential community provider under section 62Q.19; and

(4) is under contract with the health plan company to provide mental health services, the health plan company must continue to credential at least the same number of providers from that entity, as long as those providers meet the health plan company's credentialing standards.

(b) In order to ensure timely access by patients to mental health services, ~~between July 1, 2023, and June 30, 2025,~~ a health plan company must credential and enter into a contract for mental health services with any provider of mental health services that:

(1) meets the health plan company's credential requirements. For purposes of credentialing under this paragraph, a health plan company may waive credentialing requirements that are not directly related to quality of care in order to ensure patient access to providers from underserved communities or to providers in rural areas;

(2) seeks to receive a credential from the health plan company;

(3) agrees to the health plan company's contract terms. The contract shall include payment rates that are usual and customary for the services provided;

(4) is accepting new patients; and

(5) is not already under a contract with the health plan company under a separate tax identification number or, if already under a contract with the health plan company, has provided notice to the health plan company of termination of the existing contract.

(c) A health plan company shall not refuse to credential these providers on the grounds that their provider network has:

(1) a sufficient number of providers of that type, including but not limited to the provider types identified in paragraph (a); or

(2) a sufficient number of providers of mental health services in the aggregate.

Sec. 2. Minnesota Statutes 2024, section 151.741, subdivision 4, is amended to read:

Subd. 4. **Insulin safety net program account.** (a) The insulin safety net program account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to:

(1) the MNsure board in an amount sufficient to carry out assigned duties under section 151.74, subdivision 7; and

(2) the Board of Pharmacy in an amount sufficient to cover costs incurred by the board ~~in assessing and collecting the registration fee under this section and~~ in administering the insulin safety net program under section 151.74.

(b) The commissioner of management and budget shall annually transfer from the health care access fund to the insulin safety net program account an amount sufficient to implement paragraph (a).

Sec. 3. Minnesota Statutes 2025 Supplement, section 151.741, subdivision 5, is amended to read:

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration to reimburse manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) ~~By June 30, 2025, and~~ Each June 30 ~~thereafter~~, the commissioner of administration shall certify to the commissioner of management and budget the total amount expended in the prior fiscal year for:

(1) reimbursement to manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h); and

(2) costs incurred by the commissioner of administration in providing the reimbursement payments described in clause (1).

(c) Each July 1, the commissioner of management and budget shall transfer from the health care access fund to the insulin repayment account~~, beginning July 1, 2025, and each July 1 thereafter,~~ an amount equal to the amount to which the commissioner of administration certified pursuant to paragraph (b).

Sec. 4. **[256.0141] HUMAN SERVICES SYSTEMS STEERING COMMITTEE.**

Subdivision 1. **Establishment.** The Human Services Systems Steering Committee is established to provide recommendations to the commissioners of human services; information technology services; and children, youth, and families on the development, administration, and business operations of human services information technology systems. For purposes of this section, "human services systems" means any information technology system used by counties or the commissioners of human services and children, youth, and families.

Subd. 2. **Membership; costs.** (a) The steering committee must be composed of the following members:

(1) two members appointed by the commissioner of human services;

(2) two members appointed by the commissioner of children, youth, and families;

(3) six members appointed jointly by the Association of Minnesota Counties, the Minnesota Inter-County Association, and the Minnesota Association of County Social Service Administrators; and

(4) two nonvoting members appointed by the commissioner of information technology services.

(b) One member appointed under paragraph (a), clause (3), and one member appointed under paragraph (a), clause (4), must serve as cochairpersons for the steering committee.

(c) Steering committee costs must be paid and reimbursed for expenses as provided in section 15.0575 from the budgets of the Department of Human Services, the Department of Information Technology Services, and the Department of Children, Youth, and Families.

(d) The commissioner of information technology services must organize and administer the steering committee.

Subd. 3. **Duties.** (a) The steering committee must provide recommendations on the administration and business operations of current human services systems and the development of any new human services systems.

(b) For each human services system, the steering committee must make recommendations on setting system goals and priorities, allocating system resources, making major system decisions, and tracking total system funding and expenditures from all sources.

(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.

Subd. 4. **Meetings.** (a) The steering committee must meet at least quarterly.

(b) As part of every steering committee meeting, the steering committee must provide the opportunity for oral and written public testimony and comments on steering committee recommendations.

(c) All votes of the steering committee must be recorded and each member's vote must be identified.

Subd. 5. **Implementation of changes; new systems.** (a) The commissioners of human services and children, youth, and families must not implement new major changes to current human services systems, or implement a new human services system, prior to receiving recommendations from the steering committee and consulting with counties on the changes or development.

(b) The commissioners of human services and children, youth, and families must implement changes to human services systems recommended and passed by at least seven members of the steering committee.

Subd. 6. **Report.** (a) Beginning January 30, 2027, and each January 30 thereafter, the steering committee must report to the Legislative Commission on Human Services Systems under section 256.0142 and to the chairs and ranking minority members of the legislative committees with jurisdiction over human services systems. The report must include:

(1) for each human services system, system funding and expenditures, including amounts received in the previous calendar year by funding source and expenditures made in the previous calendar year by funding source;

(2) recommendations made by the steering committee under subdivision 3, including any draft legislation to implement the recommendations; and

(3) a list of projects needed to improve human services systems.

(b) The legislative committees with jurisdiction over human services systems must hold a public hearing on the report during the regular legislative session in the year in which the report was submitted.

Sec. 5. **[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 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 used;

(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 modifications to information technology systems used 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 the members 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 review under subdivision 1; recommendations for any legislative changes, including any draft legislation to implement the recommendations; 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. 6. **HUMAN SERVICES SYSTEMS STEERING COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

Appointing authorities for the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141, must make first appointments to the steering committee by August 15, 2026. The commissioner of information technology services must convene the first meeting of the committee by September 15, 2026.

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

Sec. 7. **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.

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

Sec. 8. **REPEALER.**

Minnesota Statutes 2024, section 151.741, subdivisions 2, 3, and 6, are repealed.

ARTICLE 11

HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 20, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	2027
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**	$ (798,000)	$ 19,993,000
The amounts that may be spent for each purpose are specified in this article.		
Sec. 3. **CENTRAL OFFICE; OPERATIONS**	$ -0-	$ 1,431,000
The general fund base is increased by $6,995,000 in fiscal year 2028 and $7,791,000 in fiscal year 2029.		
Sec. 4. **CENTRAL OFFICE; HEALTH CARE**	$ -0-	$ 19,403,000
The general fund base is increased by $59,838,000 in fiscal year 2028 and $60,350,000 in fiscal year 2029.		
Sec. 5. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL**	$ -0-	$ 26,000

Sec. 6. **FORECASTED PROGRAMS; MINNESOTACARE**	**$**	**34,000**	**$**	**7,000**
Sec. 7. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE**	**$**	**-0-**	**$**	**(417,000)**
Sec. 8. **GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS**	**$**	**(407,000)**	**$**	**(407,000)**
Sec. 9. **GRANT PROGRAMS; FRAUD PREVENTION GRANTS**	**$**	**(425,000)**	**$**	**(425,000)**
Sec. 10. **GRANT PROGRAMS; HEALTH CARE GRANTS**	**$**	**-0-**	**$**	**1,500,000**

Subdivision 1. **Health Care Navigator Incentive Payment Grants**

$250,000 in fiscal year 2027 is for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota Statutes, section 256.962, subdivision 5. The base for this appropriation is $500,000 in fiscal year 2028 and $500,000 in fiscal year 2029.

Subd. 2. **Community Minigrant Program**

$1,250,000 in fiscal year 2027 is for the community minigrant program. The base for this appropriation is $1,250,000 in fiscal year 2028 and $625,000 in fiscal year 2029.

Subd. 3. **Base Adjustment**

The general fund base is increased by $1,750,000 in fiscal year 2028 and $1,125,000 in fiscal year 2029.

Sec. 11. **GRANT PROGRAMS; HOUSING AND SUPPORT SERVICES GRANTS**	**$**	**-0-**	**$**	**192,000**
Sec. 12. **GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS**	**$**	**-0-**	**$**	**(1,317,000)**

Sec. 13. **GRANT PROGRAMS; CHILD MENTAL HEALTH GRANTS**	**$**	**-0-**	**$**	**361,000**
Sec. 14. **GRANT PROGRAMS; CHEMICAL DEPENDENCY TREATMENT SUPPORT GRANTS**	**$**	**-0-**	**$**	**(361,000)**

ARTICLE 12

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS

Section 1. **CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 22, from the general fund or any fund named for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

		APPROPRIATIONS Available for the Year Ending June 30		
		2026		**2027**
Sec. 2. **COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES**	**$**	**1,113,000**	**$**	**65,445,000**
The amounts that may be spent for each purpose are specified in the following sections.				
Sec. 3. **OPERATIONS AND ADMINISTRATION; AGENCY-WIDE SUPPORTS**	**$**	**-0-**	**$**	**25,819,000**
Sec. 4. **OPERATIONS AND ADMINISTRATION; EARLY CHILDHOOD**	**$**	**281,000**	**$**	**281,000**
Sec. 5. **OPERATIONS AND ADMINISTRATION; FAMILY WELL-BEING**	**$**	**-0-**	**$**	**3,577,000**
The general fund base is increased by $4,202,000 in fiscal year 2028 and $4,202,000 in fiscal year 2029.				

Sec. 6. **FORECAST PROGRAMS; SUPPLEMENTAL FOOD ASSISTANCE PROGRAM**

The estimated base for this section is $71,239,000 in fiscal year 2028 and $96,735,000 in fiscal year 2029.

Sec. 7. **FORECASTED PROGRAMS; SNAP ADMINISTRATIVE FUNDING**	**$**	**-0-**	**$**	**24,286,000**

Sec. 8. **GRANT PROGRAMS; CHILD CARE DEVELOPMENT GRANTS**	**$**	**-0-**	**$**	**450,000**

Subdivision 1. **Child Care Licensing Basics Training Contract**

$450,000 in fiscal year 2027 is for a contract with a vendor to provide child care licensing basics training, including course content creation, translation, marketing, promotion, and underwriting. The base for this appropriation is $338,000 in fiscal year 2028 and $338,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $338,000 in fiscal year 2028 and $338,000 in fiscal year 2029.

Sec. 9. **GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS**	**$**	**832,000**	**$**	**11,032,000**

Subdivision 1. **Prepared Meals Food Relief Grants**

$2,500,000 in fiscal year 2027 is for prepared meals food relief grants. This is a onetime appropriation.

Subd. 2. **Regional Food Bank Grants**

$5,000,000 in fiscal year 2027 is for regional food bank grants. This is a onetime appropriation.

Subd. 3. **Minnesota Food Shelf Program**

$2,700,000 in fiscal year 2027 is for food shelf programs under Minnesota Statutes, section 142F.14. This is a onetime appropriation.

Subd. 4. **Base Adjustment**

The general fund base is increased by $832,000 in fiscal year 2028 and $832,000 in fiscal year 2029.

Sec. 10. Minnesota Statutes 2025 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to (n) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) $2,000,000 is appropriated to the commissioner of human services for direct payments to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. Any evaluations of practices under this paragraph must be designed cooperatively by the commissioner and Tribal nations or urban Indian communities. The commissioner must not require recipients to provide the details of specific ceremonies or identities of healers.

(e) $400,000 is appropriated to the commissioner of human services for competitive grants for opioid-focused Project ECHO programs.

(f) ~~$277,000~~ $321,000 in fiscal year ~~2024~~ 2027 and ~~$321,000~~ each year thereafter is appropriated to the commissioner of ~~human services~~ children, youth, and families to administer the funding distribution and reporting requirements in paragraph ~~(o)~~ (m).

(g) $3,000,000 in fiscal year 2025 and $3,000,000 each year thereafter is appropriated to the commissioner of human services for safe recovery sites start-up and capacity building grants under section 254B.18.

(h) $395,000 in fiscal year 2024 and $415,000 each year thereafter is appropriated to the commissioner of human services for the opioid overdose surge alert system under section 245.891.

(i) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

(j) $261,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (n).

(k) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(l) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining amount is appropriated to the commissioner of children, youth, and families for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide prevention and child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects through a formula based on intake data from the previous three calendar years related to substance use and out-of-home placement episodes where parental drug abuse is a reason for the out-of-home placement. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide prevention and child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph (m) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n) may be distributed on a calendar year basis.

(p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

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

Sec. 11. Laws 2024, chapter 117, section 22, is amended to read:

Sec. 22. **APPROPRIATIONS; MINNESOTA AFRICAN AMERICAN FAMILY PRESERVATION AND CHILD WELFARE DISPROPORTIONALITY ACT.**

(a) $5,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for grants to Hennepin and Ramsey Counties to implement the Minnesota African American Family Preservation and Child Welfare Disproportionality Act phase-in program. Of this amount, $2,500,000 must be provided to Hennepin County and $2,500,000 must be provided to Ramsey County. This is a onetime appropriation and is available until ~~June 30~~ December 31, 2026.

(b) $1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services for the African American and disproportionately represented family preservation grant program under Minnesota Statutes, section 260.693. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the amount for administrative costs under this paragraph is $0.

(c) $2,367,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of human services to implement the African American Family Preservation and Child Welfare Disproportionality Act. The base for this appropriation is $3,251,000 in fiscal year 2026 and $3,110,000 in fiscal year 2027.

Sec. 12. **EFFECTIVE DATE.**

This article is effective the day following final enactment unless otherwise indicated.

ARTICLE 13

DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. **HEALTH APPROPRIATIONS.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 3, article 21, from the general fund or any named fund and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal years ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **COMMISSIONER OF HEALTH**		
Subdivision 1. **Total Appropriation**	**$ 50,440,000**	**$ 233,802,000**
Appropriations by Fund		
	2026	2027
General	50,000,000	233,175,000

State Government Special Revenue	440,000	627,000

The amounts that may be spent for each purpose are specified in the following subdivision.

Subd. 2. **Health Improvement**

	Appropriations by Fund	
General	50,000,000	233,175,000
State Government Special Revenue	440,000	627,000

(a) $200,000 in fiscal year 2027 is from the general fund for a grant to Helping Paws, Inc., to breed, train, and place service or facility dogs with individuals who have physical disabilities; veterans and first responders living with service-related post-traumatic stress disorder; and professionals in courthouse, educational, and mental health settings. This is a onetime appropriation in memory of Speaker Emerita Melissa Hortman.

(b) The commissioner of health may accept private donations to supplement the state money appropriated under paragraph (a). All donations accepted by the commissioner under this paragraph must be deposited in the gift fund and are appropriated to the commissioner for the purposes of paragraph (a).

(c) $1,125,000 in fiscal year 2027 is from the general fund for regional coordination and 24-hour-a-day, seven-day-a-week statewide crisis telephone services.

(d) $114,800,000 in fiscal year 2027 is from the general fund for the hospital stabilization program under Minnesota Statutes, section 144.5911. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $700,000 in fiscal year 2027 is for the commissioner to administer the program.

(e) $17,600,000 in fiscal year 2027 is from the general fund for the community-based safety net provider stabilization program under Minnesota Statutes, section 144.5912. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the commissioner to administer the program.

(f) $49,950,000 in fiscal year 2026 and $99,650,000 in fiscal year 2027 are from the general fund for the Hennepin Healthcare stabilization grant. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $50,000 in fiscal year 2026 and $350,000 in fiscal year 2027 are for the commissioner to administer this grant.

(g) $400,000 in fiscal year 2027 is from the general fund to prepare the report on the financial stability of hospitals under Minnesota Statutes, section 16A.103, subdivision 1k.

(h) $440,000 in fiscal year 2026 and $440,000 in fiscal year 2027 are from the state government special revenue fund to administer the licensing and regulation of health maintenance organizations under Minnesota Statutes, chapter 62D.

(i) $187,000 in fiscal year 2027 is from the state government special revenue fund to administer all-payer claims data under Minnesota Statutes, chapter 62U. The base for this appropriation is $233,000 in fiscal year 2028 and $291,000 in fiscal year 2029.

EFFECTIVE DATE. (a) Subdivision 2, paragraph (f), is effective the day following final enactment.

(b) Subdivision 2, paragraph (h), is effective if the commissioner of health retains authority for administering licensing and regulation of health maintenance organizations under Minnesota Statutes, chapter 62D, by June 30, 2026.

ARTICLE 14

OTHER AGENCIES

Section 1. **OFFICE OF EMERGENCY MEDICAL SERVICES** **$ -0- $ 15,000,000**

$14,900,000 in fiscal year 2027 is for the rural EMS uncompensated care pool payment program under Minnesota Statutes, section 144E.55. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, $100,000 in fiscal year 2027 is for the director to administer the program.

Sec. 2. **COMMISSIONER OF INFORMATION TECHNOLOGY** **$ -0- $ 45,000,000**

Subdivision 1. **Information Technology Changes; System Focused**

(a) $32,500,000 in fiscal year 2027 is appropriated to update county information technology systems. This appropriation must be used, in collaboration with counties, to fund the following projects:

(1) expand Data Depot to all interested Minnesota counties and Tribal Nations;

(2) expand BlueZone Scripting Collaborative to all interested Minnesota counties and Tribal Nations;

(3) expand piloted artificial intelligence tools for human services to all interested Minnesota counties and Tribal Nations;

(4) develop new user interfaces to replace character-based green screens for the MAXIS and PRISM computer systems;

(5) complete the renewal self-service portal in the Minnesota Eligibility Technology System (METS);

(6) copy all state human services systems policies and procedures into the data

warehouse and keep the policies and procedures regularly updated;

(7) develop the ability for METS to note when a recipient has a second pregnancy;

(8) determine, in collaboration with Minnesota Management and Budget, the dollar amount needed to fund the integration layer tool and the amount needed to allow full implementation for both the MAXIS and PRISM computer systems; and

(9) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141.

(b) Of the amount appropriated under paragraph (a), $2,500,000 is for fully funding the work verification vendor system for child support, health care, and public assistance programs.

(c) The base for this appropriation is $10,000,000 in fiscal year 2028 and $10,000,000 in fiscal year 2029.

Subd. 2. **Information Technology Changes; Policy Focused**

(a) $12,500,000 in fiscal year 2027 is appropriated to update county information technology systems to conform with legislative changes. This appropriation must be used, in collaboration with counties, to fund the following projects:

(1) develop an automated process in the MAXIS computer system to confirm the eligibility for health care program enrollees;

(2) eliminate the duplicative data entry by county eligibility workers, including integrating MNBenefits with the MAXIS computer system and developing a solution to allow recipients to provide updated information through electronic means;

(3) update the MAXIS computer system to require a county eligibility worker to update the shelter and utility panels in MAXIS every time the address panel is updated for Supplemental Nutrition Assistance Program (SNAP) applications;

(4) update the MAXIS computer system to allow the state to move to a simplified reporting method for SNAP so that all recipients will report changes on a six-month timeline;

(5) update the MAXIS computer system with correct coding for time-limited recipients receiving SNAP benefits and integrate the coding with other panels in MAXIS;

(6) update the MAXIS computer system eligibility results to reflect the most recent noncitizen eligibility policy for health care programs and SNAP;

(7) update the MAXIS computer system to eliminate the need for county eligibility workers to enter and approve general assistance and SNAP applications separately within the same system, including the ability for MAXIS to translate information between general assistance and SNAP;

(8) initiate a review and modernization of client notices generated by the MAXIS computer system and METS to ensure the notices are clear, accurate, and compliant with all current federal and state requirements and enhance system functionality so the notices automatically populate correct and complete information based on case actions;

(9) update the MAXIS computer system to allow automatic case noting; and

(10) other projects decided by the Human Services Systems Steering Committee under Minnesota Statutes, section 256.0141.

(b) The base for this appropriation is $2,500,000 in fiscal year 2028 and $2,500,000 in fiscal year 2029.

Subd. 3. **Base Adjustment**

The general fund base is increased by $12,500,000 in fiscal year 2028 and $12,500,000 in fiscal year 2029.

Sec. 3. **LEGISLATIVE COORDINATING COMMISSION** **$** **-0-** **$** **194,000**

Subdivision 1. **Legislative Commission on Human Services Systems**

$194,000 in fiscal year 2027 is to administer the Legislative Commission on Human Services Systems under Minnesota Statutes, section 256.0142. The base for this appropriation is $191,000 in fiscal year 2028 and $174,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $191,000 in fiscal year 2028 and $174,000 in fiscal year 2029.

Sec. 4. **COMMISSIONER OF PUBLIC SAFETY** **$** **-0-** **$** **549,000**

Subdivision 1. **Child Care Licensing Modernization**

$549,000 in fiscal year 2027 is for child care licensing modernization under Minnesota Statutes, chapters 142H and 142I. The base for this appropriation is $544,000 in fiscal year 2028 and $544,000 in fiscal year 2029.

Subd. 2. **Base Adjustment**

The general fund base is increased by $544,000 in fiscal year 2028 and $544,000 in fiscal year 2029.

Sec. 5. **COMMISSIONER OF EDUCATION** **$** **(281,000)** **$** **(281,000)**

Sec. 6. **COMMISSIONER OF MANAGEMENT AND BUDGET** **$** **-0-** **$** **450,000**

Subdivision 1. **Financial Stability of Safety Net Health Care Providers**

$250,000 in fiscal year 2027 is for a study to evaluate strategies to promote the long-term financial stability of safety net health care providers across Minnesota. This is a onetime appropriation.

Subd. 2. **Report on Financial Stability of Hospitals**

$200,000 in fiscal year 2027 is to prepare the report on the financial stability of hospitals under Minnesota Statutes, section 16A.103, subdivision 1k.

Subd. 3. **Base Adjustment**

The general fund base is increased by $200,000 in fiscal year 2028 and $200,000 in fiscal year 2029.

Sec. 7. **COMMISSIONER OF COMMERCE** **$ -0- $ 1,750,000**

Base Adjustment

The general fund base is increased by $1,750,000 in fiscal year 2028 and $1,750,000 in fiscal year 2029.

Sec. 8. Laws 2024, chapter 127, article 67, section 7, is amended to read:

Sec. 7. **BOARD OF DIRECTORS OF MNSURE** **$ -0- $ 2,330,000**

(a) **Information Technology ~~to Implement Federal Deferred Action for Childhood Arrivals Regulatory Requirements.~~** $2,330,000 in fiscal year 2025 is ~~for information technology to implement federal Deferred Action for Childhood Arrivals regulatory requirements~~ to authorize MNsure to use funds for broader technology and operational needs. This appropriation supports information technology enhancements, system readiness, consumer communications, and operational adjustments to maintain service continuity and improve the consumer experience. This is a onetime appropriation and is available until June 30, 2027.

(b) **Transfer to Enterprise Account.** The Board of Directors of MNsure must transfer $2,330,000 in fiscal year 2025 from the general fund to the enterprise account under Minnesota Statutes, section 62V.07. This is a onetime transfer."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to the Departments of Health, Human Services, and Children, Youth, and Families; making changes for federal compliance; establishing work or community engagement requirements; providing for pharmacy dispensing reimbursements; modifying reimbursement rates for mental health services; modifying mental health provider credentialing requirements; modifying the county share for Supplemental Nutrition Assistance Program costs; modernizing child care and family child care licensing; modifying the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; establishing a committee, legislative commission, and advisory task force; establishing a hospital stabilization program; requiring reports; authorizing rulemaking; requiring transfer; appropriating money; amending Minnesota Statutes 2024, sections 16A.103, by adding a subdivision; 62Q.096; 62U.04, subdivision 13, by adding a subdivision; 142D.21, subdivision 3; 142F.05, by adding subdivisions; 144.1222, subdivision 4, by adding a subdivision; 144.1501, subdivision 2; 144.1503, subdivision 7; 144.1505, subdivisions 1, 2, 3; 144.1507, subdivisions 1, 2, 4, by adding a subdivision; 144.1911, subdivisions 1, 5, 6; 145A.14, subdivision 2a; 151.741, subdivision 4; 245.4711, subdivision 5; 245.4881, subdivision 5; 245A.211, subdivision 1; 245I.02, by adding a subdivision; 256.01, by adding a subdivision; 256.017, subdivision 2; 256B.04, subdivision 27; 256B.056, subdivisions 1, 2a, 7, 7a; 256B.0561, subdivision 2; 256B.06, subdivision 4; 256B.0625, by adding a subdivision; 256B.076, subdivision 1, by adding subdivisions; 256B.094, subdivisions 2, 3, 6, 7; 256B.75; 256B.76, subdivision 2; 256L.04, subdivision 14; 260.63, subdivision 10; 260.64, subdivision 2; 260.67, subdivision 2; 260.68, subdivision 2; 260.69, subdivision 1; 260.693, subdivision 2; 295.52, subdivision 8; Minnesota Statutes 2025 Supplement, sections 142A.03, subdivision 2; 144.125, subdivision 1; 151.741, subdivision 5; 245A.07, subdivision 3; 245C.02, subdivision 15a; 245C.05, subdivision 5; 256.043, subdivision 3; 256.9657, subdivision 2b; 256.969, subdivision 2f; 256B.0625, subdivision 20; 256B.0924, subdivision 6; 256B.1973, subdivision 9; 256B.69, subdivision 6d; 256B.761, by adding a subdivision; 260.691, subdivision 1; 260.692, subdivisions 1, 2, 3; Laws 2024, chapter 117, sections 21; 22; Laws 2024, chapter 127, article 67, section 7; proposing coding for new law in Minnesota Statutes, chapters 103I; 142D; 144; 245A; 256; 256B; 260; proposing coding for new law as Minnesota Statutes, chapters 142H; 142I; repealing Minnesota Statutes 2024, sections 142B.01, subdivisions 11, 12, 13, 25, 26, 27; 142B.41, subdivisions 4, 6, 7, 8, 10, 11, 12, 13; 142B.54, subdivisions 1, 2, 3; 142B.62; 142B.65, subdivisions 1, 2, 3, 4, 5, 6, 7, 10; 142B.66, subdivisions 1, 2, 4, 5; 142B.70, subdivisions 1, 2, 3, 4, 5, 6, 9, 10, 11, 12; 142B.71; 142B.72; 142B.74; 142B.75; 142B.76; 142B.77; 151.741, subdivisions 2, 3, 6; 256B.0625, subdivision 38; 256B.198; 260.63, subdivision 9; Minnesota Statutes 2025 Supplement, sections 142B.41, subdivision 9; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; Minnesota Rules, parts 9502.0300; 9502.0315; 9502.0325; 9502.0335; 9502.0341; 9502.0345; 9502.0355; 9502.0365; 9502.0367; 9502.0375; 9502.0395; 9502.0405; 9502.0415; 9502.0425; 9502.0435; 9502.0445; 9503.0005; 9503.0010; 9503.0015; 9503.0030; 9503.0031; 9503.0032; 9503.0033; 9503.0034; 9503.0040; 9503.0045; 9503.0050; 9503.0055; 9503.0060; 9503.0065;

9503.0070; 9503.0075; 9503.0080; 9503.0085; 9503.0090; 9503.0095; 9503.0100; 9503.0105; 9503.0110; 9503.0115; 9503.0120; 9503.0125; 9503.0130; 9503.0140; 9503.0145; 9503.0150; 9503.0155; 9503.0170."

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. 325: A bill for an act relating to public safety; excluding peace officers from discipline for inclusion on Brady-Giglio lists; establishing a task force to examine Brady-Giglio lists; requiring a report; amending Minnesota Statutes 2024, section 626.89, 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. **[634.046] PROTECTION OF PERSONNEL DATA ACCESSED BY A PROSECUTING AUTHORITY.**

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

(b) "Brady-Giglio material" means all data about a public employee witness that has been determined by a prosecuting authority, according to law and pursuant to their policy required in subdivision 2, to be potentially exculpatory or impeaching.

(c) "Criminal action" means any petty misdemeanor, misdemeanor, gross misdemeanor, felony, or delinquency proceedings.

(d) "Do not call" or "do not use" means a predetermined, generic policy or decision by a prosecuting authority that a public employee witness will never be called to testify in any proceeding.

(e) "Not public data" has the meaning given in section 13.02, subdivision 8a.

(f) "Peace officer" or "officer" has the meaning given in section 626.88, subdivision 1, paragraph (b).

(g) "Personnel data" has the meaning given in section 13.43, subdivision 1.

(h) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(i) "Prosecuting authority" or "authority" means the public official and their designees responsible for initiating and conducting criminal prosecutions, including the Minnesota attorney general's office, each county attorney's office, and each principal city attorney, including any attorney contracted for the prosecution of criminal offenses for a city or municipality.

Subd. 2. **Contents of prosecuting authority policy.** (a) All prosecuting authorities in Minnesota shall implement a written policy to guide the process of seeking and reviewing personnel data, and

disclosing personnel data if determined to be Brady-Giglio material in all criminal actions in Minnesota.

(b) All policies under this section must state goals and contain objectives and procedures to address the following matters:

(1) the methodology, according to law, used by the prosecuting authority to determine whether personnel data will be considered Brady-Giglio material and retained by the prosecuting authority;

(2) the requirement of the prosecuting authority to retain the Brady-Giglio material in a secured, limited access environment that is only accessible to designated personnel;

(3) the requirement of the prosecuting authority to designate and identify responsible attorney personnel to oversee and administer their shared obligations under the policy;

(4) procedures for a public employer, including a law enforcement authority, to notify the prosecuting authority of conduct by a public employee that could meet the definition of Brady-Giglio material;

(5) procedures for the prosecuting authority to notify the public employer and the subject of the data of the following:

(i) when the prosecuting authority requests personnel data;

(ii) when the prosecuting authority has determined it will retain an individual's data, including any not public data, for Brady-Giglio purposes;

(iii) when the prosecuting authority receives a court order that, in its discretion, may trigger disclosure obligations in future cases under Brady-Giglio; and

(iv) when the prosecuting authority discloses Brady-Giglio material to a defendant in a criminal action handled by the prosecuting authority, provided that the public employee made a written request to receive such notice;

(6) procedures for the prosecuting authority to receive supplemental data or information from the public employer or the subject of the data for the purpose of updating Brady-Giglio material or requesting that the prosecuting authority reconsider its Brady-Giglio determination;

(7) procedures for protecting retained personnel data for Brady-Giglio purposes from public disclosure or any improper use outside of a criminal action where that data may be disclosed or relevant; and

(8) procedures for educating law enforcement agencies and other public employers about the contents and requirements of the policy and their roles in assisting with their implementation.

Subd. 3. **Prohibition on do not call.** Except where otherwise authorized or required by law, a prosecuting authority's disclosure of Brady-Giglio information must be on a case-by-case basis when the prosecuting authority has determined that the information about a testifying witness could be material. A prosecuting authority may not create or establish a blanket do not use or do not call list, status, or designation for public employees because that determination must be case specific.

The fact that a prosecuting agency has not called a public employee in any proceedings does not constitute or create the presumption of the existence of a blanket prohibition list.

Subd. 4. **Data access.** (a) Pursuant to the provision in section 13.05, subdivision 9, a public employer shall allow any prosecuting authority with a written policy under this section to have limited access to personnel data, including private data on individuals and not public data, maintained by the public employer that could contain data that may be favorable to a defendant or impeaching of a witness. The public employer shall allow the access under this subdivision when the prosecuting authority communicates that:

(1) the subject of the personnel data is a current or former public employee of that employer;

(2) the subject of the personnel data is or could reasonably be a witness in a current or future criminal action; and

(3) the prosecuting authority seeks the information for the sole purpose of complying with its professional obligations pursuant to Brady-Giglio and related legal authorities.

(b) Nothing in this section prevents a public employer from objecting in good faith to the nature or scope of data or information that a prosecuting authority requests to access in order to fulfill its Brady-Giglio obligation. The objection may be resolved by an agreement between the public employer and prosecuting authority that shall incorporate the protections and penalties of this section, or by an in camera action before the district court pursuant to a motion, complaint for declaratory relief, or appropriate petition for a writ. The scope of the court's review in such matter shall be limited to: (1) whether the prosecuting authority's policy complies with subdivision 2; and (2) whether the public employer's objection relates to data that may be favorable to a defendant or impeaching of a witness.

Subd. 5. **Restrictions on data.** (a) Subject to the limitations of the Minnesota Government Data Practices Act, chapter 13, any personnel data designated as Brady-Giglio material and disclosed in a criminal action by any agency or government entity under this section or pursuant to any court order shall maintain its original data classification.

(b) A prosecuting authority shall retain only Brady-Giglio material for purposes of fulfilling constitutional obligations in future criminal proceedings. If a prosecuting authority reasonably determines that certain Brady-Giglio material is no longer relevant in any future criminal proceeding due to changes in circumstances, the prosecuting authority shall destroy such material. If a prosecuting authority receives data that is not Brady-Giglio material, including but not limited to personal information as defined in section 609.5151, the prosecuting authority shall redact or destroy such non-Brady-Giglio data and notify the public employer of the redaction or destruction of such non-Brady-Giglio data.

(c) A prosecuting authority shall disclose Brady-Giglio material received from a public employer to the court or a party in a criminal action as required under applicable law or court order. A prosecuting authority may disclose such data to the current or former employee who is the subject of the data; to a law enforcement agency in response to an inquiry under Minnesota Rules, part 6700.0670, subpart 2, item A, subitem (13); or to another prosecuting authority that is in compliance with the requirements of subdivision 2 of this section. A prosecuting authority shall not disclose

such data to any other person. Nothing in this section requires the disclosure of attorney work-product related to Brady-Giglio material.

(d) The district court shall make appropriate safeguards to protect personnel data and classified data designated as Brady-Giglio material when disclosure is necessary to pro se parties representing themselves as defendants in any criminal action. The district court may appoint standby legal counsel to handle any Brady-Giglio material that must be disclosed in a criminal action to a pro se party.

(e) The district court may issue protective orders restricting the disclosure and use of personnel data provided to the defendant pursuant to this section upon the request of a prosecuting authority.

(f) If a prosecuting authority requests Brady-Giglio material that is private data on individuals or not public data under this section, the public employer shall promptly notify the subject of the data of the request.

Subd. 6. **Penalty for failing to protect Brady-Giglio material.** Individuals who receive Brady-Giglio material during the discovery process of a criminal action that is classified as not public data or private data on individuals and marked by the prosecuting authority or the court as restricted data shall protect that data from further disclosure outside of the criminal action. Recipients of this data who knowingly disseminate, publish, or disclose data marked as restricted data under this subdivision or who fail to abide by a protective order issued under subdivision 5, paragraph (e), are guilty of a misdemeanor.

Subd. 7. **Judicial notice to public employer and prosecuting authority.** If a court finds that a public employee, including a peace officer, who testifies at a hearing or submits other testimonial evidence, has been untruthful, the district court shall provide notice to the public employer, employee, and the local prosecuting authority, as well as the parties in the applicable case.

Subd. 8. **Compliance with other laws.** The provisions of this section shall not be construed in any way, manner, or form to restrict prosecutors or judges from fulfilling their constitutional, professional, and ethical obligations.

EFFECTIVE DATE. This section is effective February 1, 2027. Nothing in this section limits a prosecuting authority's ability to adopt a policy regarding updating Brady-Giglio material or reconsidering a Brady-Giglio determination prior to the effective date."

Delete the title and insert:

"A bill for an act relating to public safety; requiring policies and establishing requirements for the disclosure of Brady-Giglio materials; providing a criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 634."

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

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 4196: A bill for an act relating to campaign finance; requiring and authorizing the campaign finance and public disclosure board to impose enhanced penalties for various violations; prohibiting the board from waiving enhanced penalties; depositing fee and civil penalties into the state elections campaign account; providing definitions; amending Minnesota Statutes 2024, sections 10A.01, by adding subdivisions; 10A.02, subdivision 15; 10A.025, subdivisions 2, 3, 4, 5; 10A.12, subdivision 1b; 10A.14, subdivision 4; 10A.20, subdivision 12; 10A.27, subdivision 13; 10A.29.

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 10A.01, is amended by adding a subdivision to read:

Subd. 9b. **Campaign finance report.** "Campaign finance report" means a report or statement required under section 10A.20, 10A.202, or 10A.323.

Sec. 2. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 16d. **Enhanced penalty.** "Enhanced penalty" means a late fee or civil penalty imposed by the board that applies after a $25,000 or $100,000 threshold is exceeded and is determined using a multiplier or percentage.

Sec. 3. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 26c. **Total contributions.** "Total contributions" means the total of all contributions. Contributions include all contributions received, in-kind contributions received, loans, and any other types of contributions.

Sec. 4. Minnesota Statutes 2024, section 10A.01, is amended by adding a subdivision to read:

Subd. 26d. **Total disbursements.** "Total disbursements" means the total of all disbursements. Disbursements include expenditures, in-kind expenditures, approved expenditures, contributions made, in-kind contributions made, independent expenditures, noncampaign disbursements, electioneering communications, and any other types of expenditures and disbursements.

Sec. 5. Minnesota Statutes 2024, section 10A.02, subdivision 15, is amended to read:

Subd. 15. **Fees and penalties.** (a) Upon written request, certified pursuant to section 10A.025, subdivision 2, the board must waive that portion of a late filing fee or a civil penalty imposed for the late filing of a report or statement under this chapter for which the requester demonstrates good cause for the late filing or submission.

(b) Notwithstanding paragraph (a), the board must not waive any portion of an enhanced penalty.

~~(b)~~ (c) The board must deposit ~~all~~ the first $49,000 in fees and civil penalties collected each fiscal year under this chapter into the general fund in the state treasury. The board must deposit any

additional fees and civil penalties collected under this chapter into the general account of the state elections campaign account in the special revenue fund.

Sec. 6. Minnesota Statutes 2024, section 10A.025, subdivision 2, is amended to read:

Subd. 2. **Penalty for false statements.** (a) A report or statement required to be filed under this chapter must be signed and certified as true by the individual required to file the report. The signature may be an electronic signature consisting of a password assigned by the board.

(b) An individual ~~shall~~ must not willfully sign and certify to be true a report or statement knowing it contains false information or knowing it omits required information.

(c) An individual ~~shall~~ must not ~~knowingly~~ willfully provide false or incomplete information to a treasurer with the intent that the treasurer will rely on that information in signing and certifying to be true a report or statement.

(d) The board must impose a civil penalty on a person who violates paragraph (b) or (c) ~~is subject to a civil penalty imposed by the board of~~. For campaign finance reports, the penalty is up to four times the sum of the following amounts that were willfully false or omitted: the beginning cash balance, total contributions, and total disbursements. For campaign finance reports where more than $25,000 was willfully false or omitted, the penalty must instead be equal to four times the amount that was willfully false or willfully omitted. For all other reports, the penalty is up to $3,000.

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

~~(e)~~ (f) The board may impose ~~an additional civil penalty of up to $3,000~~ on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated paragraph (b) or (c) an additional civil penalty of an amount up to four times the amount of the beginning cash balance, total contributions, and total disbursements that were willfully false or willfully omitted from the report.

Sec. 7. Minnesota Statutes 2024, section 10A.025, subdivision 3, is amended to read:

Subd. 3. **Record keeping; penalty.** (a) A person required to file a report or statement or who has accepted record-keeping responsibility for the filer must maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, that will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The person must keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections to them.

(b) The board ~~may~~ must impose a civil penalty ~~of up to $3,000~~ on a person who ~~knowingly~~ willfully violates this subdivision. For violations related to campaign finance reports, the penalty is up to four times the amount reflected on the missing records. For violations where the amount reflected on the missing campaign finance records exceeds $25,000, the penalty must be equal to four times the amount reflected on the missing campaign finance records. For all other violations, the civil penalty is up to $3,000.

(c) The board may impose a separate civil penalty of up to ~~$3,000~~ an amount equal to four times the amount reflected on the missing campaign finance records on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated this subdivision.

~~(c)~~ (d) A ~~knowing~~ willful violation of this subdivision is a misdemeanor.

Sec. 8. Minnesota Statutes 2024, section 10A.025, subdivision 4, is amended to read:

Subd. 4. **Changes and corrections.** (a) Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected. A request from the board to a lobbyist to provide more detailed information about a specific subject of interest disclosed on a lobbyist disbursement report is a change or correction governed by this subdivision.

(b) The board must impose a civil penalty on a person who willfully fails to report a material change or correction ~~is subject to a civil penalty imposed by the board of~~. For campaign finance reports, the penalty is up to four times the amount of the required change or correction that the person willfully failed to report. For a violation related to a campaign finance report where the amount of the required change or correction exceeds $25,000, the penalty must be equal to four times the amount of the required change or correction that the person willfully failed to report. For all other reports, the penalty is up to $3,000.

(c) A willful violation of this subdivision is a gross misdemeanor.

(d) The board must send a written notice to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of $25 per day up to $1,000 starting on the 11th day after the notice was sent.

(e) The board may send an additional notice by certified mail to an individual who fails to file a report within ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ten business days after the certified notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

Sec. 9. Minnesota Statutes 2024, section 10A.025, subdivision 5, is amended to read:

Subd. 5. **Reconciliation information; penalty.** (a) An individual or association required to file a report under this chapter must provide information requested by the board to reconcile discrepancies between the report and reports filed by other individuals or associations. The board's request for information must be in writing. If the individual or association fails to provide the requested information within ten business days after the request was sent, the board may impose a late filing fee of $25 per day up to $1,000.

(b) The board may send notice by certified mail to an individual or association that has not timely responded to the board's written request for reconciliation information. The certified notice must state that if the individual or association does not respond to the board's request for information within ten business days after the certified notice was sent, the individual or association may be subject to a civil penalty for failure to provide information to the board. An individual or association that does not provide the requested information within ten business days after the certified notice was sent is subject to a civil penalty imposed by the board of up to $1,000.

(c) The board must impose a civil penalty on a person who willfully fails to cooperate with the board to reconcile a report discrepancy ~~is subject to a civil penalty imposed by the board of~~. For discrepancies related to campaign finance reports, the penalty is up to four times the amount of the discrepancy about which the person willfully failed to cooperate. For violations related to a campaign finance report where the amount of the discrepancy exceeds $25,000, the penalty must be equal to four times the amount of the discrepancy about which the person willfully failed to cooperate. For all other reports, the penalty is up to $3,000.

Sec. 10. Minnesota Statutes 2024, section 10A.025, is amended by adding a subdivision to read:

Subd. 6. **Penalty.** A late fee or civil penalty related to a campaign finance report assessed to a treasurer or candidate pursuant to this section may be paid by the treasurer's or candidate's principal campaign committee, party unit, political committee, or association that has a political fund.

Sec. 11. Minnesota Statutes 2024, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; late fees; penalty.** (a) ~~If~~ This subdivision governs late filing fees and civil penalties in instances when an individual or association fails to file a report required by this section or section 10A.202~~, the board may impose a late filing fee and a civil penalty as provided in this subdivision~~.

(b) If a candidate, political committee, political fund, principal campaign committee, or party unit fails to file a report required by this section that is due January 31, the board may impose a late filing fee of $25 per day, not to exceed $1,000, commencing the day after the report was due.

(c) Except for reports governed by paragraph (b), if an individual, political committee, political fund, principal campaign committee, party unit, or association fails to file a report required by subdivision 2, 2a, ~~or~~ 5, 5a, 6, or 14, or by section 10A.202, late filing fees are as follows:

(1) for reports not governed by clause (2), (3), or (4), the board may impose a late filing fee of $50 per day, not to exceed $1,000, commencing on the day after the date the ~~statement~~ report was due~~. If~~;

(2) for reports due 15 days before the primary and reports due ten days before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000, the board must impose a late filing fee of one percent of the total contributions or total disbursements that should have been newly reported, whichever is greater, per day, commencing on the day after the report was due;

(3) for a report required by subdivision 5 or 5a or section 10A.202 on which the total ~~expenditures or~~ contributions or total disbursements ~~that occurred during the reporting period exceeds~~ exceed

$25,000, ~~then~~ the board ~~may also~~ must impose a late filing fee of ~~up to two~~ four percent of the ~~expenditures or~~ total contributions or total disbursements that should have been reported, whichever is greater, per day, commencing on the day after the report was due~~, not to exceed 100 percent of the amount that should have been reported.~~; or

(4) for willful violations of clause (2) or (3), the board must instead impose a late filing fee of twice that required by that clause, per day, commencing on the day after the report was due.

(d) If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed a late filing fee or civil penalty under this subdivision during the prior four years, the board may impose a late filing fee, a civil penalty, or both of up to twice the amount otherwise authorized by this subdivision. If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed a late filing fee or civil penalty under this subdivision more than two times during the prior four years, the board may impose a late filing fee or civil penalty, or both, of up to three times the amount otherwise authorized by this subdivision. If a late filing fee and civil penalty are related to the same report or statement, the late filing fee and civil penalty count as a single penalty for purposes of this paragraph.

(e) If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed an enhanced penalty during the prior four years, the board must impose a late filing fee, a civil penalty, or both, of up to twice the amount otherwise authorized by this subdivision. If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed an enhanced penalty more than two times during the prior four years, the board must impose a late filing fee, a civil penalty, or both, of up to three times the amount otherwise authorized by this subdivision. If a late filing fee and civil penalty are related to the same report or statement, the late filing fee and civil penalty count as a single penalty for purposes of this paragraph.

~~(e)~~ (f) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file a report required by this section, 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 report. If an individual ~~who~~ fails to file the report within seven days after the certified mail notice was sent by the board, civil penalties are as follows:

(1) for reports not governed by clause (2), (3), or (4), the individual is subject to a civil penalty imposed by the board of up to $2,000 in addition to the late filing fees imposed by this subdivision~~.~~;

(2) for reports due 15 days before the primary and reports due ten days before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000, the board must impose a civil penalty of 100 percent of the total contributions or total disbursements that should have been newly reported, whichever is greater;

(3) for a report required by subdivision 5 or 5a or section 10A.202 in which total contributions or total disbursements exceed $25,000, the board must impose a civil penalty of 100 percent of the total contributions or total disbursements that should have been reported, whichever is greater; or

(4) for willful violations of clauses (2) and (3), the board must instead impose a civil penalty of twice that required by that clause.

Sec. 12. Minnesota Statutes 2024, section 10A.20, is amended by adding a subdivision to read:

Subd. 16. **Penalty.** A late filing fee or civil penalty assessed to a treasurer or candidate pursuant to this section may be paid by the treasurer's or candidate's principal campaign committee, party unit, political committee, or association that has a political fund.

Sec. 13. **EFFECTIVE DATE.**

This act is effective August 12, 2026, and applies to reports and statements due on or after that date."

Delete the title and insert:

"A bill for an act relating to campaign finance; modifying certain late fees and civil penalties; establishing enhanced penalties; prohibiting the board from waiving enhanced penalties; depositing a portion of late fees and civil penalties into the state elections campaign account; providing definitions; amending Minnesota Statutes 2024, sections 10A.01, by adding subdivisions; 10A.02, subdivision 15; 10A.025, subdivisions 2, 3, 4, 5, by adding a subdivision; 10A.20, subdivision 12, by adding a subdivision."

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

Senator Hoffman from the Committee on Human Services, to which was referred

S.F. No. 4476: A bill for an act relating to health care facilities; modifying the parties who may be awarded fees and expenses in certain proceedings involving the state; modifying requirements for assisted living facilities to provide residents with a means to request assistance; exempting assisted living facilities from the provider tax; amending Minnesota Statutes 2024, sections 144G.41, subdivision 1, by adding a subdivision; 295.50, subdivision 4; Minnesota Statutes 2025 Supplement, sections 15.471, subdivision 6; 295.50, subdivision 9b.

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. **[256B.045] CONTINUITY OF CARE.**

Subdivision 1. **Definitions.** (a) For the 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. The commissioner must ensure the continuity of care team always has sufficient staff capacity and resources for timely compliance with the requirements of this section.

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 but not limited to 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 client at risk or poses a risk that the provider's client will need to transition to a new service provider or setting.

(b) After the team has completed the tasks identified in paragraph (a), 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.

(c) Upon imposition of the payment withhold, for each identified client, the continuity of care team must:

(1) inform the Office of the Ombudsman for Long-Term Care, the Office of the Ombudsman for Mental Health and Developmental Disabilities, 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 agency must cooperate and coordinate with the client's case manager to:

(1) closely monitor services delivered to a client of a provider subject to a payment withhold; and

(2) develop a person-centered contingency plan for alternative services or an alternative service provider or setting 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 or to an alternative service provider or setting, the continuity of care team must directly intervene and provide case management directly to the client. 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. The lead agency is responsible for the state share of case management services provided by the continuity of care team.

(d) If the lead agency or the continuity of care team does not identify alternative services or an alternative service provider or setting, the continuity of care team must notify the commissioner and the commissioner of health, if applicable, and recommend:

(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 to be appointed receiver to operate the residential program; or

(2) the commissioner of health bring an action under section 144G.20, subdivision 21, against the provider subject to the withhold for violations of section 144G.52 or 144G.53.

(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 commissioners of health and human services may impose any sanctions available under law for violations of a licensing requirement even if the provider complies with paragraph (a).

Sec. 2. 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 the purposes of this paragraph, "residential services and supports" has the meaning given in section 256B.045, subdivision 1.

ARTICLE 2

AGING AND DISABILITY SERVICES

Section 1. Minnesota Statutes 2025 Supplement, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the case mix reimbursement classifications determined by an assessment.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Activities of daily living" or "ADL" includes personal hygiene, dressing, bathing, transferring, bed mobility, locomotion, eating, and toileting.

(g) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

(1) nursing facility services under chapter 256R;

(2) elderly waiver services under chapter 256S;

(3) CADI and BI waiver services under section 256B.49; and

(4) state payment of alternative care services under section 256B.0913.

This paragraph expires upon the effective date of paragraph (h).

(h) Effective January 1, 2027, or upon federal approval, whichever is later, "nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care:

(1) as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

(i) nursing facility services under chapter 256R;

(ii) elderly waiver services under chapter 256S; and

(iii) state payment of alternative care services under section 256B.0913; and

(2) as established in subdivision 11a for purposes of medical assistance payment of long-term care services for brain injury and community access for disability and inclusion waivers under section 256B.49.

~~(h)~~ (i) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement classification system for residents in nursing facilities based on the resident's condition, diagnosis, and the care the resident received at the time of the MDS assessment with an ARD on or after October 1, 2025.

~~(i)~~ (j) "Resource utilization group" or "RUG" means the case mix reimbursement classification system for residents in nursing facilities according to the resident's clinical and functional status as reflected in data supplied by the facility's MDS with an ARD on or before September 30, 2025.

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

Sec. 2. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision to read:

Subd. 11a. **Nursing facility level of care; BI and CADI waivers.** (a) Effective January 1, 2027, or upon federal approval, whichever is later, a determination of need for nursing facility level of care for brain injury and community access for disability and inclusion waivers under section 256B.49 must meet one of the following criteria:

(1) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(2) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled; or

(3) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention.

(b) Nursing facility level of care determinations for purposes of initial and ongoing access to brain injury and community access for disability inclusion waiver programs must be conducted by a MnCHOICES certified assessor in a manner determined by the commissioner.

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

Sec. 3. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee.

(b) When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than the following amount, unless other law or a rule or contract provide for a lower maximum charge:

(1) for paper copies, $1 per page, plus $10 for time spent retrieving and copying the records;

(2) for x-rays, a total of $30 for retrieving and reproducing x-rays; and

(3) for electronic copies, a total of $20 for retrieving the records.

(c) For any copies of paper records provided under paragraph (b), clause (1), a provider or the provider's representative may not charge more than a total of:

(1) $10 if there are no records available;

(2) $30 for copies of records of up to 25 pages;

(3) $50 for copies of records of up to 100 pages;

(4) $50, plus an additional 20 cents per page for pages 101 and above; or

(5) $500 for any request.

(d) A provider or its representative may charge a $10 retrieval fee, but must not charge a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of appealing a denial of Social Security disability income or Social Security disability benefits under title II or title XVI of the Social Security Act. Notwithstanding the foregoing, a provider or its representative must not charge a fee, including a retrieval fee, to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of appealing a denial of Social Security disability income or Social Security disability benefits under title II or title XVI of the Social Security Act when the patient is receiving public assistance, represented by an attorney on behalf of a civil legal services program, or represented by a volunteer attorney program based on indigency. The patient or the patient's representative must submit one of the following to show that they are entitled to receive records without charge under this paragraph:

(1) a public assistance statement from the county or state administering assistance;

(2) a request for records on the letterhead of the civil legal services program or volunteer attorney program based on indigency; or

(3) a benefits statement from the Social Security Administration.

For the purpose of further appeals, a patient may receive no more than two medical record updates without charge, but only for medical record information previously not provided.

For purposes of this paragraph, a patient's authorized representative does not include units of state government engaged in the adjudication of Social Security disability claims.

(e) A provider or its representative may charge a $10 retrieval fee, but must not charge a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of a disability determination by the department's state medical review team. Notwithstanding the foregoing, a provider or its representative must not charge a fee, including a retrieval fee, to provide copies of records requested by a patient or the patient's authorized representative if the request for copies of records is for purposes of a disability determination by the department's state medical review team when the patient is receiving public assistance. To show that the patient or the patient's representative is entitled to receive records without charge under this paragraph, the patient or the patient's representative must

submit either the patient's public assistance statement from the county or state administering assistance or the patient's benefits statement from the Social Security Administration.

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

Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 2, is amended to read:

Subd. 2. **Notification of affected municipality.** The commissioner must not issue a license under this chapter without giving 30 calendar days' written notice to the affected municipality or other political subdivision unless the program is considered a permitted single-family residential use under sections 245A.11 and 245A.14. If the program is considered a permitted single-family residence, the commissioner must give the affected municipality or other political subdivision written notice of the issuance no later than five days after issuing the license, excluding weekends and holidays. The written notice must include the prospective license holder's name and contact information, the license type and capacity, and the proposed address of the licensed facility or program. The commissioner may provide notice through electronic communication. The notification must be given before the first issuance of a license under this chapter and annually after that time if annual notification is requested in writing by the affected municipality or other political subdivision. 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 residential or nonresidential program licensed under this chapter until the provisions of this subdivision have been complied with in full. The provisions of this subdivision shall not apply to programs located in hospitals.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to licenses issued on or after that date.

Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 2a, is amended to read:

Subd. 2a. **Meeting fire and safety codes.** (a) An applicant or license holder under sections 245A.01 to 245A.16 must document compliance with applicable building codes, fire and safety codes, health rules, and zoning ordinances, or document that an appropriate waiver has been granted.

(b) At the request of a county or local unit of government, the commissioner may delegate to a county agency or local unit of government the commissioner's or local agency's authority to inspect an existing residential program serving six or fewer persons for compliance with zoning ordinances and applicable physical plant licensing requirements. If the commissioner delegates the commissioner's or local agency's authority to a county agency or local unit of government under this subdivision, the commissioner must execute a formal delegation of authority that clearly specifies what authority is being delegated to the county agency or local unit of government, that the commissioner is responsible for any costs incurred by the county agency or local unit of government for conducting inspections under delegated authority, and that the county agency or local unit of government must not assess any additional fees for conducting an inspection under delegated authority. When conducting an inspection under delegated authority, the county agency or local unit of government must provide the subject of the inspection with a copy of the delegation of authority.

(c) When a county agency or local unit of government is conducting an inspection under delegated authority as provided in paragraph (b), the county agency or local unit of government and the agency responsible for licensing inspections must coordinate inspections to minimize visits to and disruptions of the residential program. A county agency or local unit of government conducting an inspection

must notify the commissioner of any violations or concerns within ten days of the inspection, excluding weekends and holidays. A county agency or local unit of government that conducts inspections under this subdivision must not inspect a residential program more frequently than annually, except a follow-up inspection is permitted before the next annual inspection to verify correction of a violation discovered during the most recent inspection.

(d) The commissioner must ensure that laws, rules, and codes are uniformly enforced throughout the state by reviewing at least every four years each county agency and local unit of government conducting inspections under this subdivision for compliance with this subdivision and other applicable laws and rules.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 6. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision to read:

Subd. 7. **Colocation of certain home and community-based residential settings.** (a) Effective July 1, 2026, the commissioner must not authorize services in or issue an initial license under this chapter or chapter 245D for any of the following residential settings or programs unless the proposed setting meets the heightened home and community-based setting standards described in this subdivision:

(1) a community residential setting, as defined in section 245D.02, subdivision 4a;

(2) an adult foster care home;

(3) a setting providing customized living services with a resident capacity of six or fewer;

(4) a setting providing 24-hour customized living services with a resident capacity of six or fewer; and

(5) an assisted living facility licensed under chapter 144G with a resident capacity of six or fewer.

(b) Newly licensed settings enumerated in paragraph (a) must not be located on the same property or on an adjoining property of any existing community residential setting, any existing adult foster care setting, any existing setting providing family residential services to an adult, any existing setting providing customized living services with a resident capacity of six or fewer, any existing setting providing 24-hour customized living services with a resident capacity of six or fewer, or any existing assisted living facility licensed under chapter 144G with a resident capacity of six or fewer. The requirements of this paragraph apply regardless of who owns or controls the existing setting. The commissioner must comply with section 245A.11, subdivision 4, when authorizing services or issuing an initial license under this subdivision.

(c) For the purposes of this subdivision, "adjoining property" means a property that shares a common boundary line with another property. Adjoining property also includes properties that meet at a common corner point. The presence of a right-of-way or public easement, including but not limited to a bicycle path, alley, or residential street, between adjoining properties, including between properties that but for the right-of-way or public easement would share a common corner point, are adjoining properties.

Sec. 7. Minnesota Statutes 2024, section 256.01, subdivision 21, is amended to read:

Subd. 21. **Interagency ~~agreement~~ agreements with Department of Health.** (a) The commissioner of human services shall amend the interagency agreement with the commissioner of health to certify nursing facilities for participation in the medical assistance program, to require the commissioner of health, as a condition of the agreement, to comply beginning July 1, 2005, with action plans included in the annual survey and certification quality improvement report required under section 144A.10, subdivision 17.

(b) The commissioners of health and human services must execute an interagency agreement to determine on behalf of the commissioner of health whether an assisted living facility for which either an applicant is seeking a provisional license under chapter 144G or a licensee is seeking to relocate under section 144G.195 meets the standards described in section 245A.042, subdivision 7.

Sec. 8. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 1, is amended to read:

Subdivision 1. **Long-term services and supports loan program.** The commissioner of human services shall establish a loan program to provide operating loans to eligible long-term services and supports providers. ~~The commissioner shall initiate the application process for the loan described in this section on an ongoing basis.~~ The commissioner must not issue any new loans under this program after June 30, 2026.

Sec. 9. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 7, is amended to read:

Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent in the timely payment of a contractual payment under this section, the provisions in paragraphs (b) to (e) apply.

(b) The commissioner may withhold some or all of the amount of the delinquent loan payment, together with any penalties due and owing on those amounts, from any money the department owes to the borrower. The commissioner may, at the commissioner's discretion, also withhold future contractual payments from any money the commissioner owes the provider as those contractual payments become due and owing. The commissioner may continue this withholding until the commissioner determines there is no longer any need to do so.

(c) The commissioner shall give prior notice of the commissioner's intention to withhold by mail, facsimile, or email at least ten business days before the date of the first payment period for which the withholding begins. The notice must be deemed received as of the date of mailing or receipt of the facsimile or electronic notice. The notice must state:

(1) the amount of the delinquent contractual payment;

(2) the amount of the withholding per payment period;

(3) the date on which the withholding is to begin;

(4) whether the commissioner intends to withhold future installments of the provider's contractual payments; and

(5) other contents as the commissioner deems appropriate.

(d) The commissioner, or the commissioner's designee, may enter into written settlement agreements with a provider to resolve disputes and other matters involving unpaid loan contractual payments or future loan contractual payments.

(e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties, are overpayments for the purposes of section 256B.0641, subdivision 1. The current long-term services and supports provider is liable for the overpayment amount owed by a former owner for any provider sold, transferred, or reorganized.

(f) By January 15 each year, the commissioner must provide to the chairs and ranking minority members of the legislative committees with jurisdiction over nursing facilities a report of all facilities that are delinquent in their repayments. The reporting required under this paragraph expires upon notification by the commissioner to the committees that there are no outstanding balances from loan awards issued under this subdivision.

Sec. 10. Minnesota Statutes 2025 Supplement, section 256.4792, is amended by adding a subdivision to read:

Subd. 11. **Loan program expiration.** This section expires after the commissioner collects all loan repayments incurred on or before June 30, 2026. The commissioner must notify the revisor of statutes once all loan repayments under this section are collected.

Sec. 11. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision to read:

Subd. 28. **Interpretive guidelines for disability waiver regulation.** (a) The commissioner must develop and publish interpretive guidelines within 120 calendar days of the effective date of any statutory changes, waiver plan amendments, state or federal administrative rulings, or state or federal court decisions that affect policies or reimbursement for services licensed under chapter 245D, authorized under section 256B.092 or 256B.49, or reimbursed under section 256B.4914.

(b) Interpretive guidelines issued by the commissioner under this subdivision do not have the force and effect of law and have no precedential effect but may be relied on by consumers, providers of service, county agencies, the Department of Human Services, and others concerned until revoked or modified. An interpretive guideline may be expressly revoked or modified by the commissioner or by the issuance of another interpretive guideline but may not be revoked or modified retroactively to the detriment of consumers, providers of service, county agencies, the Department of Human Services, or others concerned. A change in the law or an interpretation of the law occurring after the interpretive guidelines are issued, whether in the form of a statute, court decision, administrative ruling, or subsequent interpretive guideline, results in the revocation or modification of the previously adopted guidelines to the extent that the change affects the guidelines.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to statutory changes, waiver plan amendments, state or federal administrative rulings, or state or federal court decisions effective or issued on or after that date.

Sec. 12. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 14, is amended to read:

Subd. 14. **Use of MnCHOICES certified assessors required.** (a) Each lead agency shall use MnCHOICES certified assessors who have completed MnCHOICES training and the certification process determined by the commissioner in subdivision 13.

(b) Each lead agency must ensure that the lead agency has sufficient numbers of certified assessors to provide long-term consultation assessment and support planning within the timelines and parameters of the service.

(c) A lead agency may choose, according to departmental policies, to contract with a qualified, certified assessor to conduct assessments and reassessments on behalf of the lead agency.

(d) Tribes and health plans under contract with the commissioner must provide long-term care consultation services as specified in the contract.

(e) A lead agency must provide the commissioner with an administrative contact for communication purposes.

(f) A lead agency may contract under this subdivision with any hospital licensed under sections 144.50 to 144.56 to conduct assessments of patients in the hospital on behalf of the lead agency when the lead agency has failed to meet its obligations under subdivision 17. The contracted assessment must be conducted by a hospital employee who is a qualified, certified assessor. The hospital employees who perform assessments under the contract between the hospital and the lead agency may perform assessments in addition to other duties assigned to the employee by the hospital, except the hospital employees who perform the assessments under contract with the lead agency must not perform any waiver-related tasks other than assessments. Hospitals are not eligible for reimbursement under subdivision 33. The lead agency that enters into a contract with a hospital under this paragraph is responsible for oversight, compliance, and quality assurance for all assessments performed under the contract.

(g) The commissioner must employ certified assessors within the department to conduct assessments on behalf of lead agencies under conditions and circumstances determined by the commissioner. Certified assessors employed by the department may conduct assessments in addition to other duties as assigned, except the certified assessors employed by the department must not perform any responsibilities of a lead agency described in this section other than assessments. Nothing in this paragraph creates an obligation for the department to provide the department's certified assessors to conduct assessments on behalf of a lead agency.

Sec. 13. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

Subd. 26. **Determination of institutional level of care.** (a) The determination of need for hospital and intermediate care facility levels of care must be made according to criteria developed by the commissioner, and in section 256B.092, using forms developed by the commissioner.

(b) The determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11. This paragraph expires upon the effective date of paragraph (c).

(c) Effective January 1, 2027, or upon federal approval, whichever is later, the determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11, or for brain injury and community access for disability inclusion waiver services provided under section 256B.49 based on criteria in section 144.0724, subdivision 11a.

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

Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is amended to read:

Subd. 3b. **Service authorizations and service agreements.** (a) Recipients must be screened and authorized for services according to the federally approved waiver application and its subsequent amendments.

(b) The commissioner must require lead agency supervisors to review and accept all service agreements entered by lead agency staff into the Medicaid management information system (MMIS) prior to the commissioner's approval of the service agreement.

(c) For a service agreement with a proposed total authorized amount that exceeds the total authorized amount in the recipient's prior service agreement by more than the value of legislatively enacted rate increases, the commissioner must manually review and manually approve the service agreement in the MMIS. For purposes of this paragraph, "prior service agreement" means the service agreement that was in effect 12 months prior to the start date of the new proposed service agreement.

(d) In a format prescribed by the commissioner, lead agencies must submit the following information for all service agreements subject to the commissioner's approval in paragraph (c):

(1) changes in the number of units authorized;

(2) new services authorized;

(3) changes in the values used to calculate service rates under section 256B.4914, except for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

(4) changes in the person's level of need that require an increase in the amount of services authorized;

(5) documentation detailing why the previous amount of services is not sufficient to meet the person's needs; and

(6) anticipated impact if the total service amount is not increased to the proposed amount.

(e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b, and rate changes authorized by the 2025 legislature, the commissioner must not approve service agreements under paragraph (c) that are not the result of either a documented change in a person's assessed needs or documented evidence that the previous level of service was insufficient to meet the person's assessed needs.

~~(f) This subdivision expires upon full implementation of waiver reimagine. The commissioner must inform the revisor of statutes when waiver reimagine is fully implemented.~~

Sec. 15. Minnesota Statutes 2024, section 256B.092, subdivision 5, is amended to read:

Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 et seq., as amended, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a regional treatment center or a community intermediate care facility for persons with developmental disabilities. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 et seq., as amended, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community-based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services including day training and habilitation services that would have been provided without the waivered services.

The commissioner shall seek an amendment to the 1915(c) home and community-based waiver to allow properly licensed adult foster care homes to provide residential services to up to five individuals with developmental disabilities. If the amendment to the waiver is approved, adult foster care providers that can accommodate five individuals shall increase their capacity to five beds, provided the providers continue to meet all applicable licensing requirements.

(b) The commissioner, in administering home and community-based waivers for persons with developmental disabilities, shall ensure that day services for eligible persons are not provided by the person's residential service provider, unless the person or the person's legal representative is offered a choice of providers and agrees in writing to provision of day services by the residential service provider. The support plan for individuals who choose to have their residential service provider provide their day services must describe how health, safety, protection, and habilitation needs will be met, including how frequent and regular contact with persons other than the residential service provider will occur. The support plan must address the provision of services during the day outside the residence on weekdays.

(c) When a lead agency is evaluating denials, reductions, or terminations of home and community-based services under section 256B.0916 for an individual, the lead agency shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the support plan. The reduction in the authorized services for an individual due to changes in funding for waivered services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare.

~~(d) The commissioner shall seek federal approval to allow for the reconfiguration of the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

~~(e) The transition to two disability home and community-based services waiver programs must align with the independent living first policy under section 256B.4905. Unless superseded by any other state or federal law, waiver eligibility criteria shall be the same for each waiver. The waiver program that a person uses shall be determined by the support planning process and whether the person chooses to live in a provider-controlled setting or in the person's own home.~~

~~(f) Prior to July 1, 2024, the commissioner shall seek federal approval for the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement an individual resource allocation methodology.~~

Sec. 16. Minnesota Statutes 2024, section 256B.49, subdivision 11, is amended to read:

Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and community-based service waivers, as authorized under section 1915(c) of the federal Social Security Act to serve persons under the age of 65 who are determined to require the level of care provided in a nursing home and persons who require the level of care provided in a hospital. The commissioner shall apply for the home and community-based waivers in order to:

(1) promote the support of persons with disabilities in the most integrated settings;

(2) expand the availability of services for persons who are eligible for medical assistance;

(3) promote cost-effective options to institutional care; and

(4) obtain federal financial participation.

(b) The provision of waiver services to medical assistance recipients with disabilities shall comply with the requirements outlined in the federally approved applications for home and community-based services and subsequent amendments, including provision of services according to a service plan designed to meet the needs of the individual. For purposes of this section, the approved home and community-based application is considered the necessary federal requirement.

(c) The commissioner shall provide interested persons serving on agency advisory committees, task forces, the Centers for Independent Living, and others who request to be on a list to receive, notice of, and an opportunity to comment on, at least 30 days before any effective dates, (1) any substantive changes to the state's disability services program manual, or (2) changes or amendments to the federally approved applications for home and community-based waivers, prior to their submission to the federal Centers for Medicare and Medicaid Services.

(d) The commissioner shall seek approval, as authorized under section 1915(c) of the federal Social Security Act, to allow medical assistance eligibility under this section for children under age 21 without deeming of parental income or assets.

(e) The commissioner shall seek approval, as authorized under section 1915(c) of the Social Act, to allow medical assistance eligibility under this section for individuals under age 65 without deeming the spouse's income or assets.

(f) The commissioner shall comply with the requirements in the federally approved transition plan for the home and community-based services waivers authorized under this section.

~~(g) The commissioner shall seek federal approval to allow for the reconfiguration of the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

~~(h) The commissioner shall seek federal approval for the 1915(c) home and community-based waivers in this section, as authorized under section 1915(c) of the federal Social Security Act, to implement an individual resource allocation methodology.~~

Sec. 17. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is amended to read:

Subd. 17a. **Service authorizations and service agreements.** (a) Recipients must be screened and authorized for services according to the federally approved waiver application and its subsequent amendments.

(b) The commissioner must require lead agency supervisors to review and accept all service agreements entered by lead agency staff into the Medicaid management information system (MMIS) prior to the commissioner's approval of the service agreement.

(c) For a service agreement with a proposed total authorized amount that exceeds the total authorized amount in the recipient's prior service agreement by more than the value of legislatively enacted rate increases, the commissioner must manually review and manually approve the service agreement in the MMIS. For purposes of this paragraph, "prior service agreement" means the service agreement that was in effect 12 months prior to the start date of the new proposed service agreement.

(d) In a format prescribed by the commissioner, lead agencies must submit the following information for all service agreements subject to the commissioner's approval in paragraph (c):

(1) changes in the number of units authorized;

(2) new services authorized;

(3) changes in the values used to calculate service rates under section 256B.4914, except for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

(4) changes in the person's level of need that require an increase in the amount of services authorized;

(5) documentation detailing why the previous amount of services is not sufficient to meet the person's needs; and

(6) anticipated impact if the total service amount is not increased to the proposed amount.

(e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b, and rate changes authorized by the 2025 legislature, the commissioner must not approve service agreements under paragraph (c) that are not the result of either a documented change in a person's assessed needs or documented evidence that the previous level of service was insufficient to meet the person's assessed needs.

~~(f) This subdivision expires upon full implementation of waiver reimagine. The commissioner must inform the revisor of statutes when waiver reimagine is fully implemented.~~

Sec. 18. 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, except as provided in paragraph (g), 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.

(g) The daily limits specified in paragraph (f) do not:

(1) 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; or

(2) apply to individuals who are assessed under section 256B.0911 to need a 24-hour plan of care.

Sec. 19. 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, 2025, 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.

EFFECTIVE DATE. This section is effective retroactively from August 1, 2025.

Sec. 20. 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.

EFFECTIVE DATE. This section is effective retroactively from August 1, 2025.

Sec. 21. Laws 2023, chapter 61, article 1, section 61, subdivision 4, as amended by Laws 2025, First Special Session chapter 9, article 2, section 57, is amended to read:

Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, 2026, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a ~~final~~ second interim report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The ~~final~~ second interim report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b). By December 1, 2028, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim reports and the total number of people served by the grants.

Sec. 22. Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9, is amended to read:

Subd. 9. **Savings determinations.** (a) When preparing the forecast for state revenue and expenditures under Minnesota Statutes, section 16A.103, the commissioner of management and budget must assume ~~the following reductions of~~ a reduction of $62,601,000 in human services general fund spending for the biennium beginning July 1, 2027, until the end of the legislative session that enacts a budget for the commissioner of human services for the biennium beginning July 1, 2027~~:~~

~~(1) if a bond appropriation for the replacement of the Miller Building on the Anoka Metro Regional Treatment Center Campus is enacted during a 2025 special session, $177,542,000; or~~

~~(2) if a bond appropriation for the replacement of the Miller Building on the Anoka Metro Regional Treatment Center Campus is not enacted during a 2025 special session, $143,542,000~~.

(b) Upon enactment of a budget for the commissioner of human services for the biennium beginning July 1, 2027, the legislature must identify enacted provisions that were recommended by the advisory council under subdivision 7.

(c) To the extent the net savings attributable to the provisions identified by the legislature under paragraph (b) for the biennium beginning July 1, 2027, are less than the assumed savings in paragraph (a), the commissioner of human services must implement the contingent spending reductions described in subdivision 10, beginning July 1, 2027, or upon federal approval, whichever is later.

Sec. 23. **WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.**

Subdivision 1. **Establishment.** The commissioner of human services must convene a waiver case management quality working group to develop recommendations related to county provision of home and community-based waiver case management services without the use of contractors.

Subd. 2. **Membership.** At a minimum, the working group must include the following members:

(1) two individuals receiving waiver services or family members of or advocates for individuals receiving waiver services, appointed by the commissioner, in consultation with organizations representing individuals with lived experience of disability and waiver services;

(2) three county representatives, appointed by the Minnesota Association of County Social Service Administrators;

(3) at least three representatives of contracted case management agencies, appointed by the Minnesota Social Service Association, including:

(i) at least one representative of a contracted case management agency located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4; and

(ii) at least two representatives of contracted case management agencies located outside of a metropolitan county;

(4) one staff member from the Minnesota Social Service Association, appointed by the Minnesota Social Service Association;

(5) one member of a Tribal Nation, appointed by the commissioner;

(6) two representatives of disability advocacy organizations, appointed by the commissioner; and

(7) additional nonvoting participants as determined by the commissioner, which may include staff from the Department of Human Services and other interested parties.

Subd. 3. **Duties.** (a) The working group must make recommendations to ensure that clients are receiving high-quality case management services. The working group must consider the following proposals:

(1) requiring written documentation of visits with clients in order to receive payment;

(2) requiring initial and annual case management training conducted by the Department of Human Services, with input from the counties related to core competencies and the training curriculum;

(3) requiring a county to accept a client transfer and continue services at the level provided by the previous county without the client reapplying for services;

(4) prohibiting a county from arbitrarily reducing the level and type of services a client receives;

(5) requiring case management service providers to submit to a yearly financial audit and random inspections of files and documentation;

(6) requiring counties that contract for case management services to utilize a competitive process for the procurement of contracted case management services at least once every three years;

(7) requiring case management service providers to implement a grievance process for clients that must document all complaints and responses to and resolutions of complaints; and

(8) requiring contracted case management service providers to annually report to the county the provider's case load numbers and staff turnover rate.

(b) The working group must make recommendations to transition from a contract-based case management services system to a system in which counties provide case management services without contracting for those services. The recommendations must include but are not limited to:

(1) ways to reduce complaints and improve quality of waiver case management services;

(2) an evaluation of the impact of current funding levels, administrative structures, and workforce capacity on case management service delivery;

(3) an examination of alternative accountability and oversight models that protect access, provider flexibility, and case management service quality;

(4) creation of a variance process, including county oversight and contractor site visits, to allow a county to continue to use contracted case management services; and

(5) legislative or administrative changes to strengthen the waiver case management services system.

Subd. 4. **Compensation; expenses.** Members of the working group may receive compensation and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group must be convened no later than August 1, 2026. The working group must meet at least monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Human Services shall provide staff and administrative support to convene the working group, facilitate working group meetings, and prepare the final report.

Subd. 6. **Report.** By September 1, 2027, the commissioner shall submit a report of the working group's findings and recommendations, including any legislative language necessary to implement the recommendations, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance.

Subd. 7. **Expiration.** The working group expires upon submission of the report required under subdivision 6.

Sec. 24. **DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME AND COMMUNITY-BASED SERVICES RATES STUDY.**

(a) The commissioner of human services shall analyze the current rate-setting methodology for all case management and medical assistance home and community-based services waivers and make recommendations to improve rate-setting methodologies to more accurately reflect service costs. By January 1, 2027, the commissioner shall issue a request for proposals to analyze the rate frameworks and current rate-setting practices. The commissioner must consult with lead agencies and providers across the spectrum of services and regions of the state and with culturally responsive providers when developing the request for proposals and for the duration of the contract.

(b) By January 15, 2028, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance a report on the initial results of the analysis required under this section. By January 15, 2029, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance a final report that includes legislative language necessary to modify existing or implement new rate methodologies and a detailed fiscal analysis.

Sec. 25. **DIRECTION TO COMMISSIONER; ASSESSMENT OF ADMINISTRATIVE ROLES.**

(a) The commissioner of human services, in consultation with Tribal Nations and counties, must conduct a study to assess and recommend improvements to the roles and responsibilities of the state agency, counties, and Tribal Nations in administering human services programs.

(b) The study must include a comprehensive review of programs administered by the department, including but not limited to medical assistance, MinnesotaCare, behavioral health services, long-term services and supports, housing and homelessness programs, Minnesota supplemental aid, general assistance, and licensing and oversight functions.

(c) The study must evaluate the:

(1) current roles and responsibilities held by the state agency, counties, and Tribal Nations in administering human services programs, including but not limited to the challenges and benefits of the current delegation of roles and responsibilities;

(2) lived experience of people accessing human services programs related to the delegation of administrative duties;

(3) financing of human services program administration across the state agency, counties, and Tribal Nations; and

(4) administration of human services programs in other states, focusing on the roles and responsibilities of the local governments versus the state Medicaid or human services agency, and identifying the benefits, challenges, and financing of the delegation of duties.

(d) The study must focus on the goals of transforming the human services system to ensure a transparent, accessible, accountable, equitable, and effective human services system.

(e) The study must provide recommendations for the optimal delegation of duties between the state agency, counties, and Tribal Nations in the delivery of human services. Recommendations must include:

(1) how the delegation of duties will improve the experience of people accessing human services;

(2) implementation and timing considerations to ensure continuity of services;

(3) systems technology adaptations required;

(4) workforce considerations; and

(5) financing strategies and the estimated fiscal impact to the state budget.

(f) By October 1, 2028, the commissioner must submit a report on the study and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Sec. 26. **MNCHOICES REDESIGN WORKING GROUP.**

Subdivision 1. **Establishment.** The commissioner of human services shall convene a MnCHOICES redesign working group to develop recommendations related to state provision of MnCHOICES assessments under Minnesota Statutes, section 256B.0911, subdivision 14, paragraph (g).

Subd. 2. **Membership.** At a minimum, the working group must include the following members:

(1) two individuals receiving waiver services or the individuals' family members or advocates, appointed by the commissioner in consultation with organizations representing individuals with lived experience of disability and waiver services;

(2) three county representatives, appointed by the Minnesota Association of County Social Service Administrators, including:

(i) at least one representative of a lead agency located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4; and

(ii) at least two representatives of lead agencies located outside of a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4;

(3) one staff member from the Minnesota Social Service Association, appointed by the Minnesota Social Service Association;

(4) at least three representatives from Tribal Nations, appointed by the commissioner;

(5) two representatives of disability advocacy organizations, appointed by the commissioner; and

(6) additional nonvoting participants as determined by the commissioner, which may include staff from the Department of Human Services and other interested parties.

Subd. 3. **Duties.** The working group shall make recommendations to shift the responsibility and administration of conducting MnCHOICES assessments to the state. Recommendations must include:

(1) defined roles and responsibilities between county, Tribal Nation, and state functions;

(2) revised payment methodologies and financing of duties;

(3) efficient workflows between local and state functions;

(4) service continuity for people seeking and receiving long-term services and supports; and

(5) methods for gathering public feedback and providing public awareness.

Subd. 4. **Terms, compensation, and removal.** The terms, compensation, and removal of the working group members are governed by Minnesota Statutes, section 15.059.

Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group must be convened no later than August 1, 2026. The working group must meet at least monthly. The working group may meet by telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

(b) The Department of Human Services shall provide staff and administrative support to convene the working group, facilitate working group meetings, and prepare the final report.

Subd. 6. **Report.** By September 1, 2027, the commissioner must submit a report of the working group's findings and recommendations, including but not limited to any legislative changes necessary to implement the recommendations, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance.

Subd. 7. **Expiration.** The working group expires upon submission of the report required under subdivision 6.

Sec. 27. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; IMPLEMENTATION OF NEW NURSING FACILITY LEVEL OF CARE CRITERIA.**

For existing brain injury and community access for disability inclusion waiver participants, the effective date of the termination of waiver services based on Minnesota Statutes, section 144.0724, subdivision 11a, must be at least 90 days after the date of the reassessment that results in a determination that the individual no longer meets the level of care criteria.

Sec. 28. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INCREASE TIERED RATES FOR FAMILY RESIDENTIAL AND LIFE SHARING SERVICES.**

Effective January 1, 2027, or upon federal approval, whichever is later, the commissioner of human services must increase payment rates for family residential services previously established under Minnesota Statutes, section 256B.4914, subdivision 19, and amended under Laws 2025, First Special Session, chapter 9, article 2, section 68, as follows:

(1) for tier 4 and tier 5, by ten percent; and

(2) for tier 6, by 20 percent.

Rates for life sharing services must be ten percent higher than the corresponding family residential services rate established under this section.

Sec. 29. **REPEALER.**

(a) Minnesota Statutes 2024, section 256B.0921, is repealed

(b) Minnesota Statutes 2025 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4, 5, and 6; and 256S.205, subdivision 7, are repealed.

(c) Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by Laws 2020, First Special Session chapter 2, article 3, section 2; and Laws 2021, First Special Session chapter 7, article 13, sections 73, as amended by Laws 2025, First Special Session chapter 9, article 2, section 56; and 75, subdivision 1, as amended by Laws 2024, chapter 108, article 1, section 28, are repealed.

ARTICLE 3

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 254A.03, subdivision 2, is amended to read:

Subd. 2. **American Indian programs.** There is hereby created a section of American Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human Services, to be headed by a special assistant for American Indian programs on substance misuse and substance use disorder and two assistants to that position. The section shall be staffed with all personnel necessary to fully administer programming for substance misuse and substance use disorder services for American Indians in the state. The special assistant position shall be filled by a person with considerable practical experience in and understanding of substance misuse and substance use disorder in the American Indian community, who shall be responsible to the director of the Alcohol and Drug Abuse Section created in subdivision 1 and shall be in the unclassified service. The special assistant shall meet and consult with the American Indian Advisory Council as described in section 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report on the status of substance misuse and substance use disorder among American Indians in the state of Minnesota. The special assistant with the approval of the director shall:

(1) administer direct payments using funds appropriated for American Indian groups, organizations and reservations within the state for American Indian substance misuse and substance use disorder programs;

(2) establish policies and procedures for such American Indian programs with the assistance of the American Indian Advisory Board; and

(3) hire and supervise staff to assist in the administration of the American Indian program section within the Alcohol and Drug Abuse Section of the Department of Human Services.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.02, subdivision 5, is amended to read:

Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal Nation servicing agencies from money allocated under this section to support individuals with substance use disorders and determine eligibility for behavioral health fund payments. The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 3. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** (a) Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out of local money, pay the state for 22.95 percent of the cost of substance use disorder services, except for those services provided to persons enrolled in medical assistance under chapter 256B and room and board services under section 254B.0505, subdivision 1. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section.

(b) 22.95 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

(c) Notwithstanding paragraphs (a) and (b), a county that is classified as economically distressed is not responsible for the county share of the cost of substance use disorder services. The commissioner must classify a county as economically distressed if:

(1) more than 15 percent of the county's population is living in poverty, according to the most recent data published by the United States Census Bureau; and

(2) more than 70 percent of the total acreage in the county is exempt from property taxation under chapter 272.

The commissioner must not require any other county to pay to the state any portion of the cost of substance use disorder services subject to the exception under this paragraph.

Sec. 4. Minnesota Statutes 2025 Supplement, section 254B.0503, subdivision 1, is amended to read:

Subdivision 1. **Eligible vendor requirements.** (a) Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(12) documents coordination with the treatment provider to ensure compliance with section 254B.03, subdivision 2;

(13) protects client funds and ensures freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(14) has a grievance procedure that meets the requirements of section 245G.15, subdivision 2; and

(15) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs providing children's mental health crisis admissions and stabilization under section 245.4882, subdivision 6, are eligible vendors of room and board.

(c) Programs providing children's residential services under section 245.4882, except services for individuals who have a placement under chapter 260C or 260D, are eligible vendors of room and board.

(d) A vendor that is not licensed as a residential treatment program must have a policy to address staffing coverage when a client may unexpectedly need to be present at the room and board site.

(e) No new vendors for room and board services may be approved after June 30, 2025, to receive payments from the behavioral health fund, under the provisions of section 254B.04, subdivision 2a. Room and board vendors that were approved and operating prior to July 1, 2025, may continue to receive payments from the behavioral health fund for services provided until ~~June 30, 2027~~ December 31, 2026. Room and board vendors providing services in accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and board services provided on or after ~~July~~ January 1, 2027.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 2, is amended to read:

Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the commissioner of human services must adjust the payment rates under ~~subdivision 1~~ section 254B.0505, subdivision 1, clauses (1) to (9), according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. Notwithstanding this subdivision, rates must not be adjusted lower than those established on January 1, 2026.

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

Sec. 6. Minnesota Statutes 2024, section 254B.17, is amended to read:

254B.17 WITHDRAWAL MANAGEMENT START-UP AND CAPACITY-BUILDING GRANTS.

The commissioner must establish start-up and capacity-building grants for prospective ~~or~~, new, or existing substance use disorder treatment or withdrawal management programs ~~licensed under chapter 245F~~ that will meet ASAM criteria for medically ~~monitored~~ managed or clinically monitored levels of care by integrating withdrawal management services into outpatient, intensive outpatient, or residential treatment services. Grants must be used to measurably increase the client capacity or expand available services. Grants must align services with ASAM criteria. Grants may be used to add medications for opioid use disorder to services. Grants may be used for capacity-building expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

(1) costs associated with hiring staff or contracting with medical services providers;

(2) costs associated with staff retention;

(3) the purchase of office equipment and supplies;

(4) the purchase of software;

(5) costs associated with obtaining applicable and required licenses;

(6) business formation costs;

(7) costs associated with staff training; ~~and~~

(8) the purchase of medical equipment and supplies necessary to meet health and safety requirements;

(9) costs associated with adding or improving physical space;

(10) start-up costs associated with adding a new location; and

(11) costs associated with becoming ASAM certified for medically managed levels of care.

Sec. 7. Minnesota Statutes 2024, section 256B.04, subdivision 23, is amended to read:

Subd. 23. **Medical assistance costs for certain inmates.** (a) The commissioner shall execute an interagency agreement with the commissioner of corrections to recover the state cost attributable to medical assistance eligibility for inmates of public institutions admitted to a medical institution on an inpatient basis. The annual amount to be transferred from the Department of Corrections under the agreement must include all eligible state medical assistance costs, including administrative costs incurred by the Department of Human Services, attributable to inmates under state and county jurisdiction admitted to medical institutions on an inpatient basis that are related to the implementation of section 256B.055, subdivision 14, paragraph (c). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner shall execute an interagency agreement with the commissioner of corrections to recover the state cost attributable to medical assistance eligibility for inmates of public institutions admitted to a medical institution on an inpatient basis. The annual amount to be transferred from the Department of Corrections under the agreement must include all eligible state medical assistance costs, including administrative costs incurred by the Department of Human Services, attributable to inmates under state and county jurisdiction admitted to medical institutions on an inpatient basis that are related to the implementation of section 256B.0618, paragraph (b).

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

Sec. 8. **[256B.0618] COVERAGE FOR DETAINED INDIVIDUALS.**

(a) An inmate of a correctional facility who is conditionally released under section 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

(1) does not require the security of a public detention facility and is housed:

(i) in a halfway house or community correction center; or

(ii) under house arrest and monitored by electronic surveillance in a residence approved by the commissioner of corrections; and

(2) meets all other eligibility requirements of this chapter.

(b) An individual, regardless of age, who is considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the eligibility requirements in section 256B.056 is not eligible for medical assistance, except for covered medical assistance services received:

(1) while an inpatient in a medical institution as defined in Code of Federal Regulations, title 42, section 435.1010;

(2) by an eligible juvenile in accordance with the Consolidated Appropriations Act, 2023, Public Law 117-328, part 5121; or

(3) by an eligible individual under section 256B.0761.

(c) Security logistics and costs related to the inpatient treatment of an inmate are the responsibility of the entity with jurisdiction over the inmate.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 9. **[256B.0619] CARCERAL TARGETED CASE MANAGEMENT SERVICES.**

Subdivision 1. **Generally.** Effective January 1, 2028, or upon federal approval, whichever is later, medical assistance covers carceral targeted case management services in accordance with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32); 1397bb(d); and 1397jj(b)(2) and (7).

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

(b) "Comprehensive care plan" means a person-centered plan that includes goals, tasks, and services identified through screening and assessments and agreed upon by all parties. Comprehensive care plan includes but is not limited to identifying resources and services necessary to meet the individual's physical, behavioral health, and health-related social needs prerelease and postrelease.

(c) "Consultation" means communication from a carceral targeted case manager to other providers working with the same individual to inform, inquire, and instruct regarding the individual's symptoms, strategies for effective engagement, care and intervention needs, and treatment expectations across service settings, including but not limited to the education services, social services, probation, home, primary care, medication prescribers, disabilities services, and other mental health providers and to direct and coordinate clinical service components provided to the justice-involved individual.

(d) "Targeted case management for justice-involved individuals" means the provision of both county targeted case management and public or private vendor service coordination services for the purpose of bridging prerelease and postrelease medical assistance services to support the physical, behavioral health, and health-related social needs of justice-involved individuals.

(e) "Targeted case management services" means services that assist medical assistance eligible persons to gain access to needed medical, social, educational, and other services.

Subd. 3. **Eligibility.** The following individuals are eligible for carceral targeted case management services:

(1) individuals eligible for medical assistance who meet all eligibility requirements under United States Code, title 42, section 1396a(nn);

(2) individuals eligible for medical assistance who meet eligibility requirements for the Children's Health Insurance Program under United States Code, title 42, section 1397jj(b)(7); or

(3) individuals eligible for medical assistance who are currently incarcerated at a section 1115 reentry demonstration pilot facility and meet the participation requirements in section 256B.0761, subdivision 2.

Subd. 4. **Carceral targeted case management services.** (a) For individuals eligible for services under subdivision 3, clause (1) or (2), carceral targeted case management care coordination is available for 30 days before release and up to 180 days postrelease. For individuals eligible for services under subdivision 3, clause (3), carceral targeted case management care coordination is available for up to 90 days before release and up to 180 days postrelease.

(b) Carceral targeted case management care coordination includes:

(1) comprehensive assessment and periodic reassessment addressing physical, behavioral, and health-related social needs in accordance with section 256B.0761 and United States Code, title 42, sections 1396a(nn) and 1397jj(b)(7);

(2) comprehensive care plans, including but not limited to:

(i) the desired goals of the individual;

(ii) the individual's preferences for services and supports;

(iii) formal and informal services and supports based on areas of assessment, such as social health, mental health, residence, family, education and vocation, safety, legal, self-determination, financial, and chemical health; and

(iv) housing arrangements postrelease;

(3) regular review and revision of the comprehensive care plan with the individual to ensure needs are adequately met by referrals and supports;

(4) coordination of referrals, which must contain more than just a list of resources, to bridge prerelease to postrelease medical assistance services, including but not limited to referrals to community-based services identified as a need on the comprehensive care plan;

(5) warm handoffs and follow-up post release through direct coordination between providers, including timely communication, active engagement of the individual when feasible, and facilitation of continuity of care upon release;

(6) monitoring and evaluation of services identified in the comprehensive care plan to ensure personal outcomes are met and to ensure satisfaction with services and service delivery;

(7) consultation with other professionals, including but not limited to community-based mental health providers; and

(8) completion and maintenance of necessary documentation that supports and verifies the activities in this section.

Subd. 5. **Carceral targeted case management provider standards.** Providers eligible to receive medical assistance reimbursement under this section must enroll as a Minnesota Health Care Programs provider. To qualify as a provider of carceral targeted case management services, a provider must:

(1) have a minimum of a bachelor's degree or a license in a health or human services field, comparable training and two years of experience in human services, or credentials from an American Indian Tribe under section 256B.02, subdivision 7;

(2) demonstrate the capacity and experience to provide targeted case management activities for justice-involved individuals as defined in subdivision 2;

(3) be able to coordinate and connect community resources needed by the recipient;

(4) demonstrate administrative capacity and experience to serve the justice-involved population for which the provider will provide services and ensure quality of services under state and federal requirements;

(5) have a financial management system that provides accurate documentation of services and costs under state and federal requirements;

(6) demonstrate capacity to document and maintain individual case records under state and federal requirements;

(7) demonstrate the capacity to coordinate with county administrative functions;

(8) be able to coordinate with health care providers to ensure access to necessary health care services;

(9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted case management service provider also provides the recipient's services and supports, (ii) provides information on all potential conflicts of interest, (iii) obtains the recipient's informed consent, and (iv) provides the recipient with alternatives; and

(10) demonstrate the capacity to achieve the following performance outcomes: (i) access; (ii) quality; and (iii) consumer satisfaction.

Subd. 6. **Medical assistance payment and rate setting.** (a) Carceral targeted case management rates are equal to rates authorized by the commissioner for relocation targeted case management under section 256B.0621, subdivision 10.

(b) The carceral targeted case management rate only includes eligible services delivered to an eligible recipient by an eligible provider.

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

Sec. 10. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 77. **Carceral targeted case management.** Effective January 1, 2028, or upon federal approval, whichever is later, medical assistance covers carceral targeted case management services under section 256B.0619.

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

Sec. 11. Minnesota Statutes 2024, section 256B.0761, subdivision 2, is amended to read:

Subd. 2. **Eligible individuals.** (a) Notwithstanding section 256B.055, subdivision 14, individuals are eligible to receive services under this demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the commissioner in collaboration with correctional facilities, local governments, and Tribal governments. This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2028, or upon federal approval, whichever is later, notwithstanding section 256B.0618, individuals are eligible to receive services under this demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the commissioner in collaboration with correctional facilities, local governments, and Tribal governments.

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

Sec. 12. Minnesota Statutes 2025 Supplement, section 256I.04, subdivision 2a, is amended to read:

Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph (b), an agency may not enter into an agreement with an establishment to provide housing support unless:

(1) the establishment is licensed by the Department of Health as a hotel and restaurant; a board and lodging establishment; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A. However, an establishment licensed by the Department of Health to provide lodging need not also be licensed to provide board if meals are being supplied to residents under a contract with a food vendor who is licensed by the Department of Health;

(2) the residence is: (i) licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265; (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02, subdivision 4a, as a community residential setting by the commissioner of human services;

(3) the facility is licensed under chapter 144G and provides three meals a day; or

(4) effective ~~January 1, 2027~~ July 1, 2026, the establishment is licensed by the Department of Health as a board and lodging establishment and is certified by the commissioner as a recovery residence in accordance with section 254B.215, subdivision 3, that is subject to the requirements of section 256I.04, subdivisions 2a to 2f. The Department of Human Services must serve as the lead agency for agreements entered into under this clause.

(b) The requirements under paragraph (a) do not apply to establishments exempt from state licensure because they are:

(1) located on Indian reservations and subject to tribal health and safety requirements; or

(2) supportive housing establishments where an individual has an approved habitability inspection and an individual lease agreement.

(c) Supportive housing establishments that serve individuals who have experienced long-term homelessness and emergency shelters must participate in the homeless management information system and a coordinated assessment system as defined by the commissioner.

(d) Effective July 1, 2016, an agency shall not have an agreement with a provider of housing support unless all staff members who have direct contact with recipients:

(1) have skills and knowledge acquired through one or more of the following:

(i) a course of study in a health- or human services-related field leading to a bachelor of arts, bachelor of science, or associate's degree;

(ii) one year of experience with the target population served;

(iii) experience as a mental health certified peer specialist according to section 256B.0615; or

(iv) meeting the requirements for unlicensed personnel under sections 144A.43 to 144A.483;

(2) hold a current driver's license appropriate to the vehicle driven if transporting recipients;

(3) complete training on vulnerable adults mandated reporting and child maltreatment mandated reporting, where applicable; and

(4) complete housing support orientation training offered by the commissioner.

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

Sec. 13. Minnesota Statutes 2024, section 297E.02, subdivision 3, is amended to read:

Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable to the commissioner when the gambling tax return is required to be filed. Distributors must file their monthly sales figures with the commissioner on a form prescribed by the commissioner. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner shall prescribe the content, format, and manner of returns or other documents pursuant to section 270C.30. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.191, 349.211, and 349.213, must be paid to the commissioner of management and budget for deposit in the general fund.

(b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by the organization is

exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

(c) One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for the compulsive gambling treatment program established under section 245.98. One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs. The balance of amounts appropriated under this paragraph that are unencumbered and unspent at the close of a fiscal year are available in the next fiscal year for the same purposes and shall not cancel to the fund from which appropriated.

(d) The commissioner of human services must provide to the state affiliate recognized by the National Council on Problem Gambling a monthly statement of the amounts deposited under paragraph (c). Beginning January 1, 2022, the commissioner of human services must provide to the chairs and ranking minority members of the legislative committees with jurisdiction over treatment for problem gambling and to the state affiliate recognized by the National Council on Problem Gambling an annual reconciliation of the amounts deposited under paragraph (c). The annual reconciliation under this paragraph must include the amount allocated to the commissioner of human services for the compulsive gambling treatment program established under section 245.98, and the amount allocated to the state affiliate recognized by the National Council on Problem Gambling. The annual reconciliation must also include any rollover amounts from the previous fiscal year and the utilization of those amounts during the current reporting period.

Sec. 14. Laws 2025, First Special Session chapter 9, article 4, section 2, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 15. Laws 2025, First Special Session chapter 9, article 4, section 23, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 16. Laws 2025, First Special Session chapter 9, article 4, section 38, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 17. Laws 2025, First Special Session chapter 9, article 4, section 39, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 18. Laws 2025, First Special Session chapter 9, article 4, section 40, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 19. Laws 2025, First Special Session chapter 9, article 4, section 41, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 20. Laws 2025, First Special Session chapter 9, article 4, section 42, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 21. Laws 2025, First Special Session chapter 9, article 4, section 43, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 22. Laws 2025, First Special Session chapter 9, article 4, section 44, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 23. Laws 2025, First Special Session chapter 9, article 4, section 50, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January~~ July 1, ~~2027~~ 2026.

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

Sec. 24. **DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE MANAGEMENT SERVICES BILLING UNITS.**

The commissioner of human services must establish a new billing code for carceral targeted case management services. The commissioner must identify reimbursement rates for the newly defined codes, as required under Minnesota Statutes, section 256B.0619, subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing codes must be available for 180 days postrelease.

EFFECTIVE DATE. This section is effective January 1, 2028, or upon federal approval, whichever is later.

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, section 256B.055, subdivision 14, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2028, or upon federal approval, whichever is later.

ARTICLE 4

LONG-TERM CARE FACILITY REGULATION

Section 1. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

Subd. 7. **Selection process.** The commissioner shall determine a maximum award for grants and loan forgiveness, and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the education of its workforce, the proposed employee scholarship or loan forgiveness selection process, the applicant's proposed budget, and other criteria as determined by the commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for purposes of this section do not cancel and are available until expended~~, except that at the end of each biennium, any remaining amount that is not committed by contract and not needed to fulfill existing commitments shall cancel to the general fund~~.

Sec. 2. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 7b. **Onsite registered nurse.** (a) Except when waived under subdivision 7f, a nursing home must have a registered nurse onsite 24 hours per day. The registered nurse must be available to provide direct resident care.

(b) For any periods when the onsite registered nurse requirements in paragraph (a) are waived under subdivision 7f, a nursing home must have a registered nurse, licensed nurse practitioner, physician assistant, or physician available to respond immediately to telephone calls from a nursing home.

Sec. 3. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 7c. **Staffing competencies.** A nursing home must ensure that all nurses have the specific competencies and skill sets necessary to care for residents' needs, as identified through resident assessments and described in the service plan. Providing care includes but is not limited to assessing, evaluating, planning, and implementing resident care plans and responding to residents' needs.

Sec. 4. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 7d. **Required staff ratio.** (a) The minimum staffing standard for nursing personnel in a nursing home is as specified in this subdivision.

(b) A nursing home must provide nursing care to all residents in accordance with each resident's service plan while also providing a minimum of 3.48 hours per resident per 24 hours for total nurse staffing, including but not limited to a minimum of 0.55 hours per resident per 24 hours for registered nurses and a minimum of 2.45 hours per resident per 24 hours for nurse aides and licensed nurse practitioners.

(c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded.

(d) A nursing home that is issued a notice of noncompliance under section 144A.10, subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of $300 for each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

Sec. 5. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 7e. **Nursing supervision.** (a) Except when waived under subdivision 7f, a nursing home must designate a registered nurse to serve as a charge nurse for each shift.

(b) Except when waived under subdivision 7f, a nursing home must designate a registered nurse to serve as the director of nursing on a full-time basis. The director of nursing may serve as a charge nurse only when a nursing home has an average daily occupancy of 60 or fewer residents.

Sec. 6. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to read:

Subd. 7f. **Exemption process.** (a) The commissioner shall establish a process for exemption to the requirements under subdivisions 7b and 7e. A nursing home shall submit a request for exemption under this subdivision on a form developed and in a manner established by the commissioner. A requesting nursing home shall provide in writing to the commissioner the following information at a minimum:

(1) the specific requirement from which exemption is sought;

(2) a detailed explanation of the physical proximity of the requesting nursing home to other nursing homes within reasonable distance providing the same services as the requesting nursing home;

(3) the reason the nursing home is unable to comply with the requirement;

(4) the reason that compliance with the requirement will impose substantial hardship, including but not limited to the risk of the nursing home closing and requiring residents to move; and

(5) the reason that a waiver will not significantly harm residents.

Following the submission of an exemption request, the commissioner must provide public notice of the requested exemption and allow a public comment period.

(b) The commissioner shall evaluate requests for exemption under this subdivision by reviewing the application materials and all comments submitted during the public comment period. As part of the evaluation process, the commissioner may:

(1) inspect the nursing home;

(2) confer with the nursing home manager or designee;

(3) contact residents or their representatives to determine whether they believe a waiver is in the residents' best interest; and

(4) contact individuals who submitted public comment during the public comment period.

(c) The commissioner may grant an exemption if the commissioner determines that compliance with the requirement from which the exemption is sought cannot be accomplished without substantial hardship to the nursing home and granting an exemption will not significantly harm residents. The commissioner may not grant an exemption if it will create an imminent risk of harm to a resident.

(d) An exemption granted under this subdivision is in effect for 90 days. After 90 days, the nursing home may request a renewal of the exemption. After one renewal, the nursing home must submit a new request for exemption under this subdivision.

Sec. 7. **[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 of its automatic external defibrillators 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. 8. Minnesota Statutes 2024, section 144A.291, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) Fees may not exceed the following amounts but may be adjusted lower by board direction and are for the exclusive use of the board as required to sustain board operations. The maximum amounts of fees are:

(1) application for licensure, $200;

(2) for a prospective applicant for a review of education and experience advisory to the license application, $100, to be applied to the fee for application for licensure if the latter is submitted within one year of the request for review of education and experience;

(3) state examination, $125;

(4) initial license, $250 ~~if issued between July 1 and December 31, $100 if issued between January 1 and June 30~~;

(5) ~~acting~~ permit, $400;

(6) renewal license or certificate, $250;

(7) duplicate license, permit, or certificate, $50;

(8) reinstatement fee, $250;

~~(9) health services executive initial license, $250;~~

~~(10) health services executive renewal license, $250;~~

~~(11)~~ (9) reciprocity verification fee, $50;

~~(12) second~~ (10) application for shared assignment certificate, $250;

~~(13)~~ (11) continuing education fees:

(i) greater than six hours, $50; and

(ii) seven hours or more, $75;

~~(14)~~ (12) education review, $100;

~~(15)~~ (13) fee to a sponsor for review of individual continuing education seminars, institutes, workshops, or home study courses:

(i) for less than seven clock hours, $30; and

(ii) for seven or more clock hours, $50;

~~(16)~~ (14) fee to a licensee for review of continuing education seminars, institutes, workshops, or home study courses not previously approved for a sponsor and submitted with an application for license renewal:

(i) for less than seven clock hours total, $30; and

(ii) for seven or more clock hours total, $50;

~~(17)~~ (15) late renewal fee, $75;

~~(18)~~ (16) fee to a licensee for verification of licensure status and examination scores, $30;

~~(19)~~ (17) registration as a registered continuing education sponsor, $1,000;

~~(20) mail~~ (18) mailing list labels, $75; and

~~(21)~~ (19) annual assisted living program education provider fee, $2,500.

(b) The revenue generated from the fees must be deposited in an account in the state government special revenue fund.

Sec. 9. Minnesota Statutes 2024, section 144A.471, subdivision 9, is amended to read:

Subd. 9. **Exclusions from home care licensure.** The following are excluded from home care licensure and are not required to provide the home care bill of rights:

(1) an individual or business entity providing only coordination of home care that includes one or more of the following:

(i) determination of whether a client needs home care services, or assisting a client in determining what services are needed;

(ii) referral of clients to a home care provider;

(iii) administration of payments for home care services; or

(iv) administration of a health care home established under section 62U.03;

(2) an individual who is not an employee of a licensed home care provider if the individual:

(i) only provides services as an independent contractor to one or more licensed home care providers;

(ii) provides no services under direct agreements or contracts with clients; and

(iii) is contractually bound to perform services in compliance with the contracting home care provider's policies and service plans;

(3) a business that provides staff to home care providers, such as a temporary employment agency, if the business:

(i) only provides staff under contract to licensed or exempt providers;

(ii) provides no services under direct agreements with clients; and

(iii) is contractually bound to perform services under the contracting home care provider's direction and supervision;

(4) any home care services conducted by and for the adherents of any recognized church or religious denomination for its members through spiritual means, or by prayer for healing;

(5) an individual who only provides home care services to a relative;

(6) an individual not connected with a home care provider that provides assistance with basic home care needs if the assistance is provided primarily as a contribution and not as a business;

(7) an individual not connected with a home care provider that shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(8) an individual or provider providing home-delivered meal services;

(9) an individual providing senior companion services and other older American volunteer programs (OAVP) established under the Domestic Volunteer Service Act of 1973, United States Code, title 42, chapter 66;

(10) a member of a professional corporation organized under chapter 319B that does not regularly offer or provide home care services as defined in section 144A.43, subdivision 3;

(11) the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in section 144A.43, subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317A, a partnership organized under chapter 323, or any other entity determined by the commissioner;

(12) an individual or agency that provides medical supplies or durable medical equipment, except when the provision of supplies or equipment is accompanied by a home care service;

(13) a physician licensed under chapter 147;

(14) an individual who provides home care services to a person with a developmental disability who lives in a place of residence with a family, foster family, or primary caregiver;

(15) a business that only provides services that are primarily instructional and not medical services or health-related support services;

(16) an individual who performs basic home care services for no more than 14 hours each calendar week to no more than one client;

(17) an individual or business licensed as hospice as defined in sections 144A.75 to 144A.755 who is not providing home care services independent of hospice service;

(18) activities conducted by the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, including communicable disease investigations or testing; ~~or~~

(19) administering or monitoring a prescribed therapy necessary to control or prevent a communicable disease, or the monitoring of an individual's compliance with a health directive as defined in section 144.4172, subdivision 6; or

(20) a federally qualified health center as defined in section 145.9269, when providing nursing services described in United States Code, title 42, section 1395x(aa)(1)(C).

Sec. 10. 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. In such an event, the license holder shall be liable for payment of the fine.

(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.~~ Money deposited in the account is appropriated to the commissioner on an annual basis for a competitive grant program for special projects for improving home care client quality of care and outcomes in Minnesota, with a specific focus on workforce and clinical outcomes, including projects consistent with criteria in section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed under this chapter or organizations with experience in or knowledge of home care operations, compliance, client needs, or best practices. Each grant must be $1,000 at minimum. A provider with a temporary license under this chapter is not eligible to apply for a grant. The commissioner may retain up to ten percent of the amount available to cover costs to administer the grant under this section. 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. 11. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons to a home care and assisted living advisory council consisting of the following:

(1) four public members as defined in section 214.02, one of whom must be a person who either is receiving or has received home care services preferably within the five years prior to initial appointment, one of whom must be a person who has or had a family member receiving home care services preferably within the five years prior to initial appointment, one of whom must be a person who either is or has been a resident in an assisted living facility preferably within the five years prior to initial appointment, and one of whom must be a person who has or had a family member residing in an assisted living facility preferably within the five years prior to initial appointment;

(2) two Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing;

(4) one member representing the Office of Ombudsman for Long-Term Care;

(5) one member representing the Office of Ombudsman for Mental Health and Developmental Disabilities;

(6) one member of a county health and human services or county adult protection office;

(7) two Minnesota assisted living facility licensees representing assisted living facilities and assisted living facilities with dementia care levels of licensure who may be the facility's assisted living director, managerial official, or clinical nurse supervisor;

(8) one organization representing long-term care providers, home care providers, and assisted living providers in Minnesota; and

(9) one representative of a consumer advocacy organization representing individuals receiving long-term care from licensed home care providers or assisted living facilities.

(b) When a vacancy occurs for an appointment identified in paragraph (a), the commissioner must select an applicant for appointment within 81 calendar days of the position being posted by the secretary of state, if the application of a qualified and, if applicable, a licensee in good standing applicant is received within 21 days of posting. If no qualified applications are received within the first 21 days, the commissioner must select an applicant for appointment within 60 calendar days of receiving the application of a qualified and, if applicable, a licensee in good standing applicant.

Sec. 12. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

Subd. 2. **Regulatory functions.** (a) The commissioner shall:

(1) license, survey, and monitor without advance notice assisted living facilities in accordance with this chapter and rules;

(2) survey every provisional licensee within one year of the provisional license issuance date subject to the provisional licensee providing assisted living services to residents;

(3) survey assisted living facility licensees at least once every two years;

(4) investigate complaints of assisted living facilities;

(5) issue correction orders and assess civil penalties under sections 144G.30 and 144G.31;

(6) take action as authorized in section 144G.20; ~~and~~

(7) approve or disapprove proposed increases in amounts charged for housing or assisted living services under sections 144G.19, subdivision 5, and 144G.40, subdivision 4; and

~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.

(b) The commissioner shall review blueprints for all new facility construction and must approve the plans before construction may be commenced.

(c) The commissioner shall provide on-site review of the construction to ensure that all physical environment standards are met before the facility license is complete.

Sec. 13. Minnesota Statutes 2024, section 144G.15, is amended to read:

144G.15 CONSIDERATION OF APPLICATIONS.

Subdivision 1. **Consideration.** (a) Before issuing a provisional license or license or renewing a license, the commissioner shall consider an applicant's compliance history in providing care in this state or any other state in a facility that provides care to children, the elderly, ill individuals, or individuals with disabilities.

(b) The applicant's compliance history shall include repeat violation, rule violations, and any license or certification involuntarily suspended or terminated during an enforcement process.

(c) Before issuing a provisional license for an assisted living facility with a licensed resident capacity of six or fewer, the commissioner shall also consider the population, size, land use plan, availability of community services, and the number and size of existing licensed assisted living facilities in the town, municipality, or county in which the applicant seeks to operate an assisted living facility.

Subd. 2. **Colocation of certain home and community-based residential settings.** The commissioner must not grant a provisional license for an assisted living facility with a licensed resident capacity of six or fewer until the commissioner of human services determines that the proposed location of the assisted living facility meets the standard described in section 245A.042, subdivision 7. This paragraph applies regardless of the services to be provided in the proposed assisted living facility and regardless of whether any residents of the facility will receive publicly funded services.

Subd. 3. **Grounds for licensing action.** ~~(c)~~ The commissioner may deny, revoke, suspend, restrict, or refuse to renew the license or impose conditions if:

(1) the applicant fails to provide complete and accurate information on the application and the commissioner concludes that the missing or corrected information is needed to determine if a license shall be granted;

(2) the applicant, knowingly or with reason to know, made a false statement of a material fact in an application for the license or any data attached to the application or in any matter under investigation by the department;

(3) the applicant refused to allow agents of the commissioner to inspect its books, records, and files related to the license application, or any portion of the premises;

(4) the applicant willfully prevented, interfered with, or attempted to impede in any way: (i) the work of any authorized representative of the commissioner, the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities; or (ii) the duties of the commissioner, local law enforcement, city or county attorneys, adult protection, county case managers, or other local government personnel;

(5) the applicant, owner, controlling individual, managerial official, or assisted living director for the facility has a history of noncompliance with federal or state regulations that were detrimental to the health, welfare, or safety of a resident or a client; or

(6) the applicant violates any requirement in this chapter.

~~(d) If a license is denied, the applicant has the reconsideration rights available under section 144G.16, subdivision 4.~~

Sec. 14. Minnesota Statutes 2024, section 144G.16, is amended by adding a subdivision to read:

Subd. 8. **Notice to affected municipality.** (a) No later than five days, excluding weekends and holidays, after issuing a provisional license to an assisted living facility with a licensed resident capacity of six or fewer, the commissioner must provide the following information about the provisional licensee and the facility to the affected municipality or other political subdivision:

(1) business name of the provisional licensee;

(2) street address of the facility;

(3) license category;

(4) licensed resident capacity; and

(5) contact information for an authorized agent of the provisional licensee.

(b) The commissioner may provide notice through electronic communication or by submitting a written document to the official address of the municipality or other political subdivision.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to provisional licenses issued on or after that date.

Sec. 15. Minnesota Statutes 2025 Supplement, section 144G.19, subdivision 5, is amended to read:

Subd. 5. **Change of ownership; existing contracts.** (a) Following a change of ownership, the new licensee must honor the terms of an assisted living contract in effect at the time of the change of ownership until the end of the contract term. A new licensee that proposes to increase the amount charged for housing or assisted living services in an assisted living contract replacing a contract in effect at the time of the change of ownership must provide the commissioner with justification for and specific documentation supporting the proposed increase.

(b) The commissioner must review the justification and documentation provided under paragraph (a) and approve or disapprove the proposed increase. The commissioner may request from the new licensee additional documentation or information the commissioner deems necessary to conduct the review. An assisted living facility must not implement a proposed increase described in paragraph (a) unless the commissioner approves the proposed increase.

Sec. 16. Minnesota Statutes 2024, section 144G.195, subdivision 1, is amended to read:

Subdivision 1. **New license not required.** (a) ~~Beginning March 15, 2025,~~ An assisted living facility with a licensed resident capacity of five residents or fewer may operate under the licensee's current license if the facility is relocated with the approval of the commissioner of health during the period the current license is valid.

(b) A licensee is not required to apply for a new license solely because the licensee receives approval to relocate a facility. The licensee's license for the relocated facility remains valid until the expiration date specified on the existing license. The commissioner of health must apply the licensing and survey cycle previously established for the facility's prior location to the facility's new location.

(c) A licensee must notify the commissioner of health, on a form developed by the commissioner, of the licensee's intent to relocate the licensee's facility and submit a nonrefundable relocation fee of $3,905. The commissioner must deposit all relocation fees in the state treasury to be credited to the state government special revenue fund.

(d) The licensee must obtain plan review approval for the building to which the licensee intends to relocate the facility and a certificate of occupancy from the commissioner of labor and industry or the commissioner of labor and industry's delegated authority for the building. Upon issuance of a certificate of occupancy, the commissioner of health must review and inspect the building to which the licensee intends to relocate the facility ~~and approve or deny the license relocation within 30 calendar days~~ and must request from the commissioner of human services a determination of whether the location to which the licensee intends to relocate complies with the standards described in section 245A.042, subdivision 7. The commissioner of health must approve or deny the license relocation within 30 calendar days after inspecting the building and receiving a determination from the commissioner of human services.

(e) A licensee ~~may only relocate a facility within the geographic boundaries of the municipality in which the facility is currently located or within the geographic boundaries of a contiguous municipality~~ located in the seven-county metropolitan area may not relocate outside of the seven-county metropolitan area. A licensee located outside of the seven-county metropolitan area may not relocate more than two hours or 120 miles from the licensee's previous location nor relocate within the seven-county metropolitan area.

(f) A licensee may only relocate one time in any three-year period, except that the commissioner may approve an additional relocation within a three-year period upon a licensee's demonstration of an extenuating circumstance, including but not limited to the criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

(g) A licensee that receives approval from the commissioner to relocate a facility must provide each resident with a new assisted living contract and comply with the coordinated move requirements under section 144G.55.

(h) A licensee denied approval by the commissioner of health to relocate a facility may continue to operate the facility in its current location, follow the requirements in section 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent to relocate the facility to an alternative new location. If the licensee notifies the commissioner of the licensee's intent to relocate the facility to an alternative new location, ~~paragraph (c) applies, including~~ all provisions of this section apply, including paragraph (c) and the timelines for approving or denying the license relocation for the alternative new location.

(g) If the commissioner of health approves a relocation under this subdivision, the commissioner must comply with the provisions of section 144G.16, subdivision 8.

Sec. 17. Minnesota Statutes 2024, section 144G.31, subdivision 7, is amended to read:

Subd. 7. **Additional penalties.** In addition to any fine imposed under this section, the commissioner may:

(1) 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~~.~~; and

(2) increase a fine if the violation results in serious injury or death and the commissioner determines the licensee's conduct was sufficiently egregious to warrant an increase, notwithstanding the fine amount provided in subdivision 4, paragraph (a), clause (5).

Sec. 18. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision to read:

Subd. 4. **Increase in amount charged for housing or services.** (a) If an assisted living facility proposes to increase the amount charged for housing or assisted living services by an amount that exceeds the change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics, for the most recent 12-month period for which data is available, the assisted living facility must provide the commissioner with justification for and specific documentation supporting the proposed increase.

(b) The documentation required under paragraph (a) must include:

(1) data on operational costs, including but not limited to the cost of staffing, utilities, maintenance, and other day-to-day expenses necessary to operate the facility;

(2) data on the proposed imposition of any new fees, but is not limited to a raw food fee, community fee, pharmacy choice or coordination fee, hospice choice or coordination fee, or activities fee;

(3) the facility's balance sheet, including projected revenues and expenses for the next fiscal year;

(4) data on costs related to compliance with new regulatory requirements, including but not limited to health and safety requirements;

(5) data on capital improvements to, upgrades to, or expansion of the facility, including but not limited to building renovations or new construction;

(6) a comparison of the facility's costs and fees and the costs and fees of similar facilities in the region where the facility is located;

(7) data on whether the facility's residents have increased needs or are requesting new amenities; and

(8) the percentage of revenue devoted to administrative costs and the percentage of revenue devoted to marketing costs.

(c) The commissioner must review the justification and documentation provided under paragraph (a) and approve or disapprove the proposed increase. The commissioner may request from the facility additional documentation or information the commissioner deems necessary to conduct the review. An assisted living facility must not implement a proposed increase described in paragraph (a) unless the commissioner approves the proposed increase.

(d) If the commissioner approves the proposed increase, approval must be conditioned on the facility maintaining or improving the quality of care it provides, including but not limited to hiring additional staff, improving staff training, updating medical equipment, or upgrading physical environment elements of the facility.

Sec. 19. 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;

(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; and

(15) ensure that a person trained in emergency medical response is on site 24 hours per day, seven days per week.

Sec. 20. 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) medical emergency procedures initiated when a resident is experiencing a medical emergency, 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 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. 21. 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 of its automatic external defibrillators is maintained and regularly tested according to the manufacturer's recommendations.

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

Sec. 22. Minnesota Statutes 2024, section 144G.45, subdivision 3, is amended to read:

Subd. 3. **Local laws apply; delegating inspection authority.** (a) Assisted living facilities shall comply with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements, except a facility with a licensed resident capacity of six or fewer is exempt from rental licensing regulations imposed by any town, municipality, or county.

(b) At the request of a county or local unit of government, the commissioner may delegate to a county agency or local unit of government the commissioner's authority to inspect an existing assisted living facility with a licensed resident capacity of six or fewer that is in the jurisdiction of the county or local unit of government for compliance with applicable physical plant licensing requirements and zoning ordinances. If the commissioner delegates the commissioner's authority to a county agency or local unit of government under this subdivision, the commissioner must execute a formal delegation of authority that clearly specifies what authority is being delegated to the county agency or local unit of government, that the commissioner is responsible for any costs incurred by the county agency or local unit of government for conducting inspections under delegated authority, and that the county agency or local unit of government must not assess any additional fees for conducting an inspection under delegated authority. When conducting an inspection under delegated authority,

the county agency or local unit of government must provide the subject of the inspection with a copy of the delegation of authority.

(c) When a county agency or local unit of government is conducting an inspection under delegated authority as provided in paragraph (b), the county agency or local unit of government and the commissioner must coordinate their inspections to minimize visits to and disruptions of the facility. A county agency or local unit of government conducting an inspection must notify the commissioner of any violations or concerns within ten working days of the inspection. A county agency or local unit of government that conducts inspections under this subdivision must not inspect an assisted living facility more frequently than annually, except a follow-up inspection is permitted before the next annual inspection to verify correction of a violation discovered during the most recent inspection.

(d) The commissioner must ensure that laws, rules, and codes are uniformly enforced throughout the state by reviewing at least every four years each county agency and local unit of government conducting inspections under this subdivision for compliance with this subdivision and other applicable laws and rules. The commissioner must ensure that a county agency or local unit of government to which the commissioner has delegated the commissioner's authority under this subdivision has at all times sufficient expertise to conduct delegated inspections competently, and if the county agency or local unit of government does not, the commissioner must immediately revoke the delegation of authority.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 23. 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 when 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. 24. 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. 25. 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. 26. 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. 27. **[144G.65] NURSING STAFF REQUIREMENTS.**

Subdivision 1. **Onsite registered nurse.** (a) Except when waived under subdivision 5, the facility must have a registered nurse onsite 24 hours per day. The registered nurse must be available to provide direct resident care.

(b) For any periods when the onsite registered nurse requirements in paragraph (a) are waived under subdivision 5, a facility must have a registered nurse, licensed nurse practitioner, physician assistant, or physician available to respond immediately to telephone calls from the facility.

Subd. 2. **Staffing competencies.** The facility must ensure that all nurses have the specific competencies and skill sets necessary to care for residents' needs, as identified through resident assessments, and described in the service plan. Providing care includes but is not limited to assessing, evaluating, planning, and implementing resident care plans and responding to residents' needs.

Subd. 3. **Required staff ratio.** (a) The minimum staffing standard for personnel in assisted living facilities is as specified in this subdivision.

(b) A facility must provide nursing care to all residents in accordance with each resident's service plan while also providing a minimum of 3.48 hours per resident per 24 hours for total nurse staffing, including but not limited to a minimum of 0.55 hours per resident per 24 hours for registered nurses and a minimum of 2.45 hours per resident per 24 hours for nurse aides and licensed nurse practitioners per resident per 24 hours.

(c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In a facility with more than 60 licensed beds, the hours of the director of nursing are excluded.

(d) An assisted living facility that is issued a notice of noncompliance for a violation of this subdivision shall be assessed a civil fine of $300 for each day of noncompliance.

Subd. 4. **Nursing supervision.** (a) Except when waived under subdivision 5, the facility must designate a registered nurse to serve as a charge nurse for each shift.

(b) Except when waived under subdivision 5, the facility must designate a registered nurse to serve as the director of nursing on a full-time basis. The director of nursing may serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer residents.

Subd. 5. **Exemption process.** (a) The commissioner shall establish a process for exemption to the requirements under subdivisions 1 and 4. A facility shall submit a request for exemption under this subdivision on a form developed and in a manner established by the commissioner. A requesting facility shall provide in writing to the commissioner the following information at a minimum:

(1) the specific requirement from which exemption is sought;

(2) a detailed explanation of the physical proximity of the requesting facility to other facilities within reasonable distance providing the same services as the requesting facility;

(3) the reason the facility is unable to comply with the requirement;

(4) the reason that compliance with the requirement will impose substantial hardship, including but not limited to the risk of the facility closing and requiring residents to move; and

(5) the reason that a waiver will not significantly harm residents.

Following the submission of an exemption request, the commissioner must provide public notice of the requested exemption and allow a public comment period.

(b) The commissioner shall evaluate requests for exemption under this subdivision by reviewing the application materials and all comments submitted during the public comment period. As part of the evaluation process, the commissioner may:

(1) inspect the facility;

(2) confer with the facility manager or designee;

(3) contact residents or their representatives to determine whether they believe a waiver is in the residents' best interest; and

(4) contact individuals who submitted public comment during the public comment period.

(c) The commissioner may grant an exemption if the commissioner determines that compliance with the requirement from which the exemption is sought cannot be accomplished without substantial hardship to the facility and granting an exemption will not significantly harm residents. The commissioner may not grant an exemption if it will create an imminent risk of harm to a resident.

(d) An exemption granted under this subdivision is in effect for 90 days. After 90 days, the facility may request a renewal of the exemption. After one renewal, the facility must submit a new request for exemption under this subdivision.

Sec. 28. Minnesota Statutes 2025 Supplement, section 145D.40, is amended by adding a subdivision to read:

Subd. 5. **Health care professional.** "Health care professional" means an individual who is licensed or registered by the state to provide health care services within the professional's scope of practice and in accordance with state law.

Sec. 29. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 1, is amended to read:

Subdivision 1. **Notice.** At least 120 days prior to the transfer of ownership or control of a nonprofit nursing home or nonprofit assisted living facility to a for-profit entity, the nursing home or assisted living facility must provide written notice to the attorney general, the commissioner of

health, and the commissioner of human services of its intent to transfer ownership or control to a for-profit entity.

Sec. 30. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 2, is amended to read:

Subd. 2. **Information.** Together with the notice, the for-profit entity seeking to acquire ownership or control of the nonprofit nursing home or nonprofit assisted living facility must provide to the attorney general, commissioner of health, and commissioner of human services:

(1) the names of each individual with an interest in the for-profit entity and the percentage of interest each individual holds in the for-profit entity;

(2) a complete and detailed description of the for-profit entity's corporate structure;

(3) the names of each individual holding an interest in, and the percentage of interest held in, any affiliate, subsidiary, or otherwise related entity that the for-profit entity has a contract to provide goods or services for the operation or maintenance of the nursing home or assisted living facility or has a contract for goods and services to be provided to residents, including any real estate investment trusts if permitted under section 145D.42;

(4) for the previous five years, any filings required to be made to any federal or state agency;

(5) the for-profit entity's current balance sheet;

(6) all application materials required under section 144A.03 or 144G.12, as applicable;

(7) a description of the condition of the buildings the for-profit entity seeks to acquire or manage, identifying any cooling problems, electric medical devices present, recent exterior additions and replacements, external building conditions, recent flush toilet breakdowns, foreclosure status in the previous 12 months, heat risk, heating problems, indoor air quality, recent interior additions and replacements, and mold, as those terms are defined and described in Appendix A of the American Housing Survey for the United States: 2023;

(8) an affidavit and evidence; and

(9) other information required by the attorney general, commissioner of health, and commissioner of human services.

Sec. 31. Minnesota Statutes 2025 Supplement, section 145D.41, is amended by adding a subdivision to read:

Subd. 3. **Affidavit and evidence.** In addition to the notice required under subdivision 1, a for-profit entity seeking to acquire ownership or control of a nonprofit nursing home or nonprofit assisted living facility must submit to the attorney general an affidavit and evidence sufficient to demonstrate that:

(1) the for-profit entity has the financial, managerial, and operational ability to operate or manage the nursing home or assisted living facility consistent with the requirements of: (i) for a nursing

home, sections 144A.01 to 144A.1888, chapter 256R, and Minnesota Rules, chapter 4658; or (ii) for an assisted living facility, chapter 144G and Minnesota Rules, chapter 4659;

(2) neither the for-profit entity nor any of its owners, managerial officials, or managers have committed a crime listed in, or been found civilly liable for an offense listed in, section 144A.03, subdivision 1, paragraph (b), clause (13), or 144G.12, subdivision 1, clause (13), as applicable;

(3) in the preceding ten years, there have been no judgments and no filed, pending, or completed public or private litigations, tax liens, written complaints, administrative actions, or investigations by a government agency against the for-profit entity or any of its owners, managerial officials, or managers;

(4) in the preceding ten years, the for-profit entity has not defaulted in the payment of money collected for others and has not discharged debts through bankruptcy proceedings;

(5) the for-profit entity will invest sufficient capital in the nursing home or assisted living facility to maintain or improve the facility's infrastructure and staffing;

(6)(i) housing costs or costs for services in a nursing home or assisted living facility in the United States over which the for-profit entity acquired ownership or control have not increased by more than the increase in the Consumer Price Index for all urban consumers published by the federal Bureau of Labor Statistics for the 12 months preceding the month in which the increase became effective; or (ii) if housing costs or costs for services in the nursing home or assisted living facility increased by more than the increase in the Consumer Price Index as described in item (i), the increase was justified;

(7) within five years after acquiring ownership or control of any other nursing home or assisted living facility in the United States, the for-profit entity did not sell or otherwise transfer ownership or control of the nursing home or assisted living facility to another person; and

(8) after acquiring ownership or control of another nursing home in the United States, that nursing home, with respect to the Centers for Medicare and Medicaid Services rating system:

(i) maintained or improved the nursing home's rating if upon acquisition of ownership or control the rating was three or more stars; or

(ii) improved the nursing home's rating to at least three stars if upon acquisition of ownership or control the rating was one or two stars.

Sec. 32. **[145D.42] PROHIBITED PRACTICES.**

A for-profit entity that acquires ownership or control of a nonprofit nursing home or nonprofit assisted living facility is prohibited from:

(1) interfering with the professional judgment of a health care professional providing care in the nursing home or assisted living facility or with a health care professional's diagnosis or treatment of residents in the nursing home or assisted living facility;

(2) providing unequal treatment with regard to charges for housing or services based on whether the resident pays for housing or services with private funds or through a public program;

(3) engaging in any act, practice, or course of business that would strip an asset from an acquired nursing home or assisted living facility or that would otherwise undermine the quality of, safety of, or access to care and services provided by the nursing home or assisted living facility;

(4) engaging in self-dealing;

(5) engaging in any acts, practices, or courses of business that result in an adverse impact on the health, safety, and well-being and quality of care of the residents of the nursing home or assisted living facility;

(6) spending less than 75 percent of the funds received by the nursing home or assisted living facility from public programs and state appropriations on the direct care of residents;

(7) raising resident housing costs beyond the Consumer Price Index for all urban consumers published by the federal Bureau of Labor Statistics for the 12 months preceding the month in which the increase became effective unless the for-profit entity can demonstrate that the increase was justified by legitimate business expenses;

(8) allowing a diminution of maintenance or a deterioration in the operations and infrastructure of the nursing home or assisted living facility that results in unsafe conditions or violations of building and other relevant codes, diminishes the property value of the facility, or jeopardizes the health and well-being of the residents; or

(9) for a nursing home:

(i) failing to improve in the Centers for Medicare and Medicaid Services rating if the nursing home's current rating is one or two stars; or

(ii) allowing a decline in the Centers for Medicare and Medicaid Services rating if the nursing home's current rating is at least three stars.

Sec. 33. **[145D.43] ENFORCEMENT AND REMEDIES; NURSING HOMES AND ASSISTED LIVING FACILITIES.**

Subdivision 1. **Equitable remedies.** (a) In addition to other remedies provided by law, the attorney general may bring an action in district court to enjoin or unwind a transaction or seek other equitable relief if a nonprofit assisted living facility, nonprofit nursing home, or for-profit entity violates sections 145D.41 and 145D.42.

(b) In seeking injunctive relief under this section, the attorney general is not required to establish irreparable harm but must instead establish that a violation of sections 145D.41 and 145D.42 occurred.

Subd. 2. **Failure to provide information.** Failure of the entities involved in a transaction subject to sections 145D.41 and 145D.42 to provide timely information as required by the attorney general, the commissioner of health, or the commissioner of human services is an independent and sufficient ground for a court to enjoin or unwind the transaction or provide other equitable relief, provided the attorney general notifies the entities of the inadequacy of the information provided and provides the entities with a reasonable opportunity to remedy the inadequacy.

Subd. 3. **Enforcement.** In addition to the remedies provided under this section or other law, the attorney general may enforce sections 145D.41 and 145D.42 pursuant to section 8.31.

Subd. 4. **Civil penalties; attorney fees.** (a) An officer, director, or other executive found to have violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to $50,000 for each violation. A nonprofit assisted living facility, nonprofit nursing home, or for-profit entity that is a party to or materially participated in a transaction found to have violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to $500,000.

(b) A court may also award reasonable attorney fees and costs of investigation and litigation for an action brought under this section.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to violations occurring on or after that date.

Sec. 34. **DIRECTION TO COMMISSIONER OF HEALTH; SMALL ASSISTED LIVING FACILITY LICENSURE.**

(a) The commissioner of health must convene a group of interested parties to examine the licensing requirements under Minnesota Statutes, chapter 144G, for assisted living facilities with a licensed resident capacity of five residents or fewer. The group must develop a new licensing category applicable to such facilities to account for health and safety requirements and practical realities of operating small assisted living facilities that predominantly serve individuals receiving customized living services under the federally approved brain injury, community access for disability inclusion, and elderly waiver plans.

(b) The commissioner must develop draft legislative language to establish a new assisted living license category for facilities with a licensed resident capacity of five residents or fewer.

(c) The commissioner must submit the draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by January 1, 2028.

Sec. 35. **SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE PROVIDERS.**

By December 31, 2028, the commissioner of health must distribute the balance as of January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j), under a competitive grant program for special projects for improving home care client quality of care and outcomes in Minnesota, with a specific focus on workforce and clinical outcomes, including projects consistent with criteria in Minnesota Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed under Minnesota Statutes, chapter 144A, or organizations with experience in or knowledge of home care operations, compliance, client needs, or best practices. Each grant must be $1,000 at minimum. A provider with a temporary license under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount that has not been awarded as a grant by December 31, 2028, must be used for the annual distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j), beginning January 1, 2029.

Sec. 36. **REPEALER.**

Minnesota Statutes 2024, section 144A.04, subdivision 7, is repealed.

ARTICLE 5

DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2024, section 15.43, subdivision 3, is amended to read:

Subd. 3. **Other exemptions.** The ~~commissioners~~ commissioner of ~~human services and~~ corrections and Direct Care and Treatment executive board may by rule prescribe procedures for the acceptance of gifts from any person or organization, provided that such gifts are accepted by the commissioner or executive board, or a designated representative of the commissioner or executive board, and that such gifts are used solely for the direct benefit of patients, clients, or inmates under the jurisdiction of the accepting state officer.

Sec. 2. Minnesota Statutes 2025 Supplement, section 144.121, subdivision 1a, is amended to read:

Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing radiation-producing equipment and other sources of ionizing radiation must pay an initial or annual renewal registration fee consisting of a base facility fee of $155 and an additional fee for each x-ray tube, as follows:

(1) medical or veterinary equipment	$ 130
(2) dental x-ray equipment	$ 60
(3) x-ray equipment not used on humans or animals	$ 130
(4) devices with sources of ionizing radiation not used on humans or animals	$ 130
(5) security screening system	$ 160
(6) radiation therapy and accelerator x-ray equipment	$ 1,000
(7) industrial accelerator x-ray equipment	$ 300

(b) Electron microscopy equipment is exempt from the registration fee requirements of this section.

(c) For purposes of this section, a security screening system means ionizing radiation-producing equipment designed and used for security screening of humans who are in the custody of a correctional or detention facility or who are civilly committed in a secure treatment facility, and used by the facility to image and identify contraband items concealed within or on all sides of a human body.

(d) For purposes of this section, a correctional or detention facility is a facility licensed under section 241.021 and operated by a state agency or political subdivision charged with detection, enforcement, or incarceration in respect to state criminal and traffic laws.

(e) For purposes of this section, a secure treatment facility includes the facilities listed in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

(f) The commissioner shall adopt rules to establish requirements for the use of security screening systems. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

Sec. 3. Minnesota Statutes 2024, section 144.121, subdivision 9, is amended to read:

Subd. 9. **Exemption from examination requirements; operators of security screening systems.** (a) An employee of a correctional ~~or~~, detention, or secure treatment facility who operates a security screening system and the facility in which the system is being operated are exempt from the requirements of subdivisions 5 and 6.

(b) An employee of a correctional or detention facility who operates a security screening system and the facility in which the system is being operated must meet the requirements of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year that the permanent rules adopted by the commissioner governing security screening systems are published in the State Register.

(c) An employee of a secure treatment facility who operates a security screening system and the facility in which the system is being operated must meet the requirements of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota Rules, parts 4717.7000 to 4717.7050.

Sec. 4. Minnesota Statutes 2024, section 246.54, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) Regardless of the facility to which the client is committed, subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:

(1) clients who are committed as sexual psychopathic personalities under section 253D.02, subdivision 15; and

(2) clients who are committed as sexually dangerous persons under section 253D.02, subdivision 16.

(b) A county that is classified as economically distressed is not responsible for the costs of care under this section. The executive board must classify a county as economically distressed if:

(1) more than 15 percent of the county's population is living in poverty, according to the most recent data published by the United States Census Bureau; and

(2) more than 70 percent of the total acreage in the county is exempt from property taxation under chapter 272.

The executive board must not require any other county to pay to the state of Minnesota any portion of the cost of care subject to the exception under this paragraph.

ARTICLE 6

MISCELLANEOUS

Section 1. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transportation, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (p).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(e) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(g) Effective July 1, ~~2026~~ 2027, for medical fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance, the administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care program beneficiaries to obtain covered medical services; and

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode.

(h) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (n), clauses (4), (5), (6), and (7). This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(i) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

(j) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(k) Effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance, nonemergency medical transportation providers must take clients to the health care provider using the most direct route and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the administrator.

(l) Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(m) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(n) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(o) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (n) according to paragraphs (r) to (t) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(p) The commissioner shall:

(1) verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(q) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(r) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (m), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $12.10 for the base rate and $1.43 per mile when provided by a nonemergency medical transportation provider;

(4) $14.30 for the base rate and $1.43 per mile for assisted transport;

(5) $19.80 for the base rate and $1.70 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(s) Effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance, payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (m), not the type of vehicle used to provide the service.

(t) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (r), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (r), clauses (1) to (7). This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(u) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (r) to (t), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

(v) The commissioner, when determining reimbursement rates for nonemergency medical transportation, shall exempt all modes of transportation listed under paragraph (n) from Minnesota Rules, part 9505.0445, item R, subitem (2).

(w) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds $3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (r) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of $3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

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

Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 18i, is amended to read:

Subd. 18i. **Administration of nonemergency medical transportation.** Effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance, the commissioner must contract either statewide or regionally for the administration of the nonemergency medical transportation program in compliance with the provisions of this chapter. The contract must include the administration of the nonemergency medical transportation benefit for those enrolled in managed care as described in section 256B.69.

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

Sec. 3. Laws 2025, First Special Session chapter 3, article 8, section 43, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (b) is effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance. Paragraph (c) is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the medical assistance program changes in this section; (3) federal approval of the amendments in this act to Minnesota Statutes, section 256B.76, subdivision 6; (4) federal approval of the amendments in this act to Minnesota Statutes, section 256B.761; or (5) federal approval of all necessary federal waivers to implement the managed care organization assessment in Minnesota Statutes, section 295.525. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

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

ARTICLE 7

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 9, article 12, to the agency and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2025, First Special Session chapter 9, article 12. Appropriations and reductions to appropriations for the fiscal year ending June 30, 2026, are effective the day following final enactment unless a different effective date is explicit.

		APPROPRIATIONS Available for the Year Ending June 30		
		2026		2027
Sec. 2. **TOTAL APPROPRIATION**	$	(822,000)	$	19,672,000
The amounts that may be spent for each purpose are specified in the following sections and subdivisions.				
Sec. 3. **CENTRAL OFFICE; OPERATIONS**	$	-0-	$	5,455,000

Subdivision 1. **Assessment of Administrative Roles**

$3,000,000 in fiscal year 2027 is for an assessment of the administrative roles and responsibilities of the state agency, counties, and Tribal Nations in administering human services programs. This is a onetime appropriation and is available until June 30, 2029.

Subd. 2. **Base Level Adjustment**

The general fund base is increased by $1,542,000 in fiscal year 2028 and increased by $1,580,000 in fiscal year 2029.

Sec. 4. **CENTRAL OFFICE; HEALTH CARE** **$ -0- $ 482,000**

Base Level Adjustment. The general fund base is increased by $953,000 in fiscal year 2028 and increased by $918,000 in fiscal year 2029.

Sec. 5. **CENTRAL OFFICE; AGING AND DISABILITY SERVICES** **$ -0- $ 11,306,000**

Subdivision 1. **MnCHOICES Redesign Working Group**

$550,000 in fiscal year 2027 is for a contract related to the MnCHOICES redesign working group. The base for this appropriation is $500,000 in fiscal year 2028, $250,000 in fiscal year 2029, $0 in fiscal year 2030, and $0 in fiscal year 2031.

Subd. 2. **Waiver Case Management Quality Working Group**

$350,000 in fiscal year 2027 is for a contract related to the waiver case management quality working group. The base for this appropriation is $150,000 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 3. **Case Management and Home and Community-Based Services Rates Study**

$200,000 in fiscal year 2027 is for a rates study for case management and home and community-based services. This is a onetime appropriation and is available until June 30, 2028. The base for this appropriation is $400,000 in fiscal year 2028, $200,000 in fiscal year 2029, $0 in fiscal year 2030, and $0 in fiscal year 2031.

Subd. 4. **Base Level Adjustment**

The general fund base is increased by $21,386,000 in fiscal year 2028 and increased by $23,413,000 in fiscal year 2029.

Sec. 6. **CENTRAL OFFICE; BEHAVIORAL HEALTH** **$ -0- $ 150,000**

Subdivision 1. **Access to Services for Incarcerated Individuals Evaluation**

$150,000 in fiscal year 2027 is for community engagement and evaluation related reentry services.

Subd. 2. **Base Level Adjustment**

The general fund base is increased by $353,000 in fiscal year 2028 and increased by $336,000 in fiscal year 2029.

Sec. 7. **CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL** **$ -0- $ 1,284,000**

Base Level Adjustment. The general fund base is increased by $1,500,000 in fiscal year 2028 and increased by $1,500,000 in fiscal year 2029.

Sec. 8. **FORECASTED PROGRAMS; HOUSING SUPPORT** **$ -0- $ 10,057,000**

Sec. 9. **FORECASTED PROGRAMS; MEDICAL ASSISTANCE** **$ -0- $ (422,000)**

Sec. 10. **FORECASTED PROGRAMS; BEHAVIORAL HEALTH FUND**	**$**	**-0-**	**$**	**(19,220,000)**
Sec. 11. **GRANT PROGRAMS; REFUGEE SERVICE GRANTS**	**$**	**-0-**	**$**	**10,000,000**

Human Services Response Contingency Account. $10,000,000 in fiscal year 2026 is for the human services response contingency account established under Minnesota Statutes, section 256.044. This is a onetime appropriation.

Sec. 12. **GRANT PROGRAMS; OTHER LONG-TERM CARE GRANTS**	**$**	**(822,000)**	**$**	**75,000**

Supported-decision-making programs. $2,000,000 in fiscal year 2027 is for supported-decision-making grants under Laws 2023, chapter 61, article 1, section 61. This is a onetime appropriation and is available until June 30, 2028.

Sec. 13. **GRANT PROGRAMS; DISABILITY GRANTS**	**$**	**-0-**	**$**	**(145,000)**

Base Level Adjustment. The general fund base is decreased by $956,000 in fiscal year 2028 and decreased by $956,000 in fiscal year 2029.

Sec. 14. **GRANT PROGRAMS; SUBSTANCE USE DISORDER GRANTS**	**$**	**-0-**	**$**	**300,000**

Todd County; Peer Recovery Support. $300,000 in fiscal year 2027 is for a grant to Todd County for a contract with an organization operating in Todd County to provide daily peer recovery support services and special sessions for individuals who are in substance use recovery, are transitioning out of incarceration, or have experienced trauma.

Sec. 15. **GRANT PROGRAMS; SUBSTANCE USE DISORDER GRANTS**	**$**	**-0-**	**$**	**350,000**

Thrive Family Recovery Resources. $350,000 in fiscal year 2027 is for a grant to Thrive Family Recovery Resources for a pilot program that provides family peer services, education, resource navigation, and general support for families impacted by substance use disorder. By January 20, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services that evaluates the results of the pilot program and makes recommendations for developing an ongoing grant program to provide supportive services and education for families impacted by substance use disorder. This is a onetime appropriation.

Sec. 16. Laws 2023, chapter 61, article 1, section 67, subdivision 3, as amended by Laws 2024, chapter 125, article 8, section 10, is amended to read:

Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living must contract with a third party to evaluate the pilot project's impact on health care costs, retention of personal care assistants, and patients' and providers' satisfaction of care. The evaluation must include the number of participants, the hours of care provided by participants, and the retention of participants from semester to semester.

(b) By January 15, ~~2026~~ 2028, the Metropolitan Center for Independent Living must report the findings under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy.

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

Sec. 17. Laws 2023, chapter 61, article 9, section 2, subdivision 5, as amended by Laws 2024, chapter 125, article 8, section 12, is amended to read:

Subd. 5. **Central Office; Aging and Disability Services**	40,115,000	11,995,000

(a) **Employment Supports Alignment Study.** $50,000 in fiscal year 2024 and $200,000 in fiscal year 2025 are to conduct an interagency employment supports alignment study. The base for this appropriation is $150,000 in fiscal year 2026 and $100,000 in fiscal year 2027.

(b) **Case Management Training Curriculum.** $377,000 in fiscal year 2024 and $377,000 in fiscal year 2025 are to

develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. This is a onetime appropriation.

(c) **Office of Ombudsperson for Long-Term Care.** $875,000 in fiscal year 2024 and $875,000 in fiscal year 2025 are for additional staff and associated direct costs in the Office of Ombudsperson for Long-Term Care.

(d) **Direct Care Services Corps Pilot Project.** $500,000 in fiscal year 2024 is from the general fund for a grant to the Metropolitan Center for Independent Living for the direct care services corps pilot project. Up to $25,000 may be used by the Metropolitan Center for Independent Living for administrative costs. This is a onetime appropriation and is available until June 30, ~~2026~~ 2027.

(e) **Research on Access to Long-Term Care Services and Financing.** Any unexpended amount of the fiscal year 2023 appropriation referenced in Laws 2021, First Special Session chapter 7, article 17, section 16, estimated to be $300,000, is canceled. The amount canceled is appropriated in fiscal year 2024 for the same purpose.

(f) **Native American Elder Coordinator.** $441,000 in fiscal year 2024 and $441,000 in fiscal year 2025 are for the Native American elder coordinator position under Minnesota Statutes, section 256.975, subdivision 6.

(g) **Grant Administration Carryforward.**

(1) Of this amount, $8,154,000 in fiscal year 2024 is available until June 30, 2027.

(2) Of this amount, $1,071,000 in fiscal year 2025 is available until June 30, 2027.

(3) Of this amount, $19,000,000 in fiscal year 2024 is available until June 30, 2029.

(h) **Base Level Adjustment.** The general fund base is increased by $8,189,000 in fiscal year 2026 and increased by $8,093,000 in fiscal year 2027.

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

Sec. 18. 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. 19. Laws 2024, chapter 125, article 8, section 2, subdivision 4, is amended to read:

Subd. 4. **Central Office; Aging and Disability Services**	(2,664,000)	4,164,000

(a) **Tribal Vulnerable Adult and Developmental Disabilities Targeted Case Management Medical Assistance Benefit.** $200,000 in fiscal year 2025 is for a contract to develop a Tribal vulnerable adult and developmental disabilities targeted case management medical assistance benefit under Minnesota Statutes, section 256B.0924. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(b) **Disability Services Person-Centered Engagement and Navigation Study.** $600,000 in fiscal year 2025 is for the disability services person-centered engagement and navigation study. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2026.

(c) **Pediatric Hospital-to-Home Transition Pilot Program Administration.** $300,000 in fiscal year 2025 is for a contract related to the pediatric hospital-to-home transition pilot program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, ~~2027~~ 2028.

(d) **Reimbursement for Community-First Services and Supports Workers Report.** $250,000 in fiscal year 2025 is for a contract related to the reimbursement for community-first services and supports workers report. This is a onetime appropriation. Notwithstanding Minnesota

Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2026.

(e) **Carryforward Authority.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, $758,000 in fiscal year 2025 is available until June 30, 2026, and $2,687,000 in fiscal year 2025 is available until June 30, 2027.

(f) **Base Level Adjustment.** The general fund base is increased by $340,000 in fiscal year 2026 and increased by $340,000 in fiscal year 2027.

Sec. 20. Laws 2024, chapter 125, article 8, section 2, subdivision 14, as amended by Laws 2025, First Special Session chapter 9, article 12, section 29, is amended to read:

Subd. 14. **Grant Programs; Disabilities Grants**	1,650,000	9,574,000

(a) **Capital Improvement for Accessibility.** $400,000 in fiscal year 2025 is for a payment to Anoka County to make capital improvements to existing space in the Anoka County Human Services building in the city of Blaine, including making bathrooms fully compliant with the Americans with Disabilities Act with adult changing tables and ensuring barrier-free access for the purposes of improving and expanding the services an existing building tenant can provide to adults with developmental disabilities. This is a onetime appropriation.

(b) **Dakota County Disability Services Workforce Shortage Pilot Project.** $500,000 in fiscal year 2025 is for a grant to Dakota County for innovative solutions to the disability services workforce shortage. Up to $250,000 of this amount must be used to develop and test an online application for matching requests for services from people with disabilities to available staff, and up to $250,000 of this amount must be used to develop a communities-for-all program that engages businesses, community organizations, neighbors, and informal support systems to promote community

inclusion of people with disabilities. By October 1, 2026, the commissioner shall report the outcomes and recommendations of these pilot projects to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(c) **Pediatric Hospital-to-Home Transition Pilot Program.** $1,040,000 in fiscal year 2025 is for the pediatric hospital-to-home pilot program. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, ~~2027~~ 2028.

(d) **Artists With Disabilities Support.** $690,000 in fiscal year 2025 is for a payment to a nonprofit organization licensed under Minnesota Statutes, chapter 245D, located on Minnehaha Avenue West in Saint Paul, and that supports artists with disabilities in creating visual and performing art that challenges society's views of persons with disabilities. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(e) **Emergency Relief Grants for Rural EIDBI Providers.** $600,000 in fiscal year 2025 is for emergency relief grants for EIDBI providers. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(f) **Self-Advocacy Grants for Persons with Intellectual and Developmental Disabilities.** $250,000 in fiscal year 2025 is for self-advocacy grants under Minnesota Statutes, section 256.477, subdivision 1, paragraph (a), clauses (5) to (7), and for administrative costs. This is a onetime

appropriation and is available until June 30, 2027.

(g) **Electronic Visit Verification Implementation Grants.** $864,000 in fiscal year 2025 is for electronic visit verification implementation grants. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(h) **Aging and Disability Services for Immigrant and Refugee Communities.** $250,000 in fiscal year 2025 is for a payment to SEWA-AIFW to address aging, disability, and mental health needs for immigrant and refugee communities. This is a onetime appropriation and is available until June 30, 2027.

(i) **License Transition Support for Small Disability Waiver Providers.** $3,150,000 in fiscal year 2025 is for license transition payments to small disability waiver providers. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(j) **Own home services provider capacity-building grants.** $1,519,000 in fiscal year 2025 is for the own home services provider capacity-building grant program. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(k) **Continuation of Centers for Independent Living HCBS Access Grants.** $311,000 in fiscal year 2024 is for continued funding of grants awarded under Laws 2021, First Special Session chapter 7, article 17, section 19, as amended by Laws 2022, chapter 98, article 15, section 15. This is a onetime appropriation and is available until June 30, 2025.

(l) **Base Level Adjustment.** The general fund base is increased by $811,000 in fiscal year 2026 and increased by $811,000 in fiscal year 2027.

Sec. 21. Laws 2025, First Special Session chapter 3, article 20, section 19, subdivision 1, is amended to read:

Subdivision 1. ~~**Intensive Residential Treatment Services**~~ **Community Health Unit; Hennepin County**

$563,000 in fiscal year 2026 is for a grant to the city of Brooklyn Park ~~as start-up funding for an intensive residential treatment services and residential crisis stabilization services facility~~ for the city of Brooklyn Park's Community Health Unit, operating out of the Brooklyn Park Police Department. This is a onetime appropriation and is available until June 30, ~~2027~~ 2028.

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

Sec. 22. **TRANSFERS AND CANCELLATIONS.**

Subdivision 1. **MnCHOICES modification grants.** The fiscal year 2027 general fund base appropriation for MnCHOICES modifications first established under Laws 2023, chapter 61, article 9, section 2, subdivision 16, is reduced from $125,000 to $0. The general fund base for this purpose is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 2. **Day training and habilitation facility grants.** The fiscal year 2028 and fiscal year 2029 general fund base appropriations for grant allocations to counties for day training and habilitation services for adults with developmental disabilities when provided as a social service under Minnesota Statutes, sections 252.41 to 252.46, are reduced from $811,000 to $0. The general fund base for this purpose is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 3. **Innovation grants.** The fiscal year 2027 general fund base appropriation for the innovation grants program under Minnesota Statutes, section 256B.0921, is reduced from $1,925,000 to $0. The general fund base for this purpose is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 4. **Preadmission screening grant program.** The fiscal year 2027 general fund base appropriation for the preadmission screening grant program under Minnesota Statutes, section 256.975, subdivision 7d, paragraph (b), is reduced from $20,000 to $0. The general fund base for this purpose is $0 in fiscal year 2028 and $0 in fiscal year 2029.

Subd. 5. **2023 long-term services and supports loan program.** Any unencumbered and unexpended amount of the long-term services and supports program under Minnesota Statutes, section 256.4792, subdivision 8a, estimated to be $70,854,000, is transferred from the special revenue fund to the general fund and is canceled.

Subd. 6. **2024 long-term services and supports loan program.** Any unencumbered and unexpended amount of the fiscal year 2026 general fund base appropriation for the long-term services and supports loan program first established under Laws 2024, chapter 125, article 8, section 2, subdivision 12, paragraph (e), estimated to be $822,000, is canceled.

Subd. 7. **Human services response contingency account transfer.** The commissioner of management and budget must transfer $10,000,000 in fiscal year 2026 from the general fund to the human services response contingency account established under Minnesota Statutes, section 256.044. This is a onetime transfer.

Sec. 23. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2026 regular session, the appropriation or transfer must be given effect once.

Sec. 24. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit.

ARTICLE 8

OTHER AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 9, article 14, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the addition or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2025, First Special Session chapter 9, article 14. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2026, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	2027
Sec. 2. **COMMISSIONER OF HEALTH; TOTAL APPROPRIATION**	$ -0-	$ 4,871,000

The amounts that may be spent for each purpose are specified in the following sections.

Sec. 3. **HEALTH PROTECTION** **$** **-0-** **$** **4,871,000**

Subdivision 1. **Small Assisted Living Facility Licensure**

$150,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of health to develop small assisted living facility licensure draft legislation. This is a onetime appropriation and is available until June 30, 2028.

Subd. 2. **Base Level Adjustment**

The general fund base is increased by $17,566,000 in fiscal year 2028 and increased by $17,347,000 in fiscal year 2029.

Sec. 4. **ATTORNEY GENERAL; OVERSIGHT AND ENFORCEMENT OF MINNESOTA STATUTES, SECTIONS 145D.41 TO 145D.43.**

$112,000 in fiscal year 2027 is appropriated from the general fund to the attorney general for oversight and enforcement of Minnesota Statutes, sections 145D.41 to 145D.43.

Sec. 5. Laws 2024, chapter 125, article 8, section 2, subdivision 20, is amended to read:

Subd. 20. **Direct Care and Treatment - Operations** -0- 6,094,000

(a) **Free Communication Services for Patients and Clients.** $1,368,000 in fiscal year 2025 is for free communication services under article 6, section 1. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2026.

(b) **Direct Care and Treatment Capacity; Miller Building.** $1,796,000 in fiscal year 2025 is to design a replacement facility for the Miller Building on the Anoka Metro Regional Treatment Center campus. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(c) **Direct Care and Treatment County Correctional Facility Support Pilot Program.** $2,387,000 in fiscal year 2025 is to establish a two-year county correctional

facility support pilot program. The pilot program must: (1) provide education and support to counties and county correctional facilities on protocols and best practices for the provision of involuntary medications for mental health treatment; (2) provide technical assistance to expand access to injectable psychotropic medications in county correctional facilities; and (3) survey county correctional facilities and their contracted medical providers on their capacity to provide injectable psychotropic medications, including involuntary administration of medications, and barriers to providing these services. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, ~~2026~~ 2027.

(d) **Advisory Committee for Direct Care and Treatment.** $482,000 in fiscal year 2025 is for the administration of the advisory committee for the operation of Direct Care and Treatment. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, this appropriation is available until June 30, 2027.

(e) **Base Level Adjustment.** The general fund base is increased by $31,000 in fiscal year 2026 and increased by $0 in fiscal year 2027.

Sec. 6. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is amended to read:

Subd. 2. **Substance Use Treatment, Recovery, and Prevention Grants**

$3,000,000 in fiscal year 2026 and $3,000,000 in fiscal year 2027 are from the general fund for substance use treatment, recovery, and prevention grants under Minnesota Statutes, section 342.72. The commissioner may use up to $300,000 of this appropriation for administration.

Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2026 regular session, the appropriation or transfer must be given effect once.

Sec. 8. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to human services continuity of care, aging and disability services, behavioral health services, long-term care facility regulation, and Direct Care and Treatment; requiring reports; establishing working groups; providing for civil penalties; permitting retrieval fees for records; providing for transfers and cancellation of money; appropriating money; amending Minnesota Statutes 2024, sections 15.43, subdivision 3; 144.0724, by adding a subdivision; 144.121, subdivision 9; 144.1503, subdivision 7; 144.292, subdivision 6; 144A.04, by adding subdivisions; 144A.291, subdivision 2; 144A.471, subdivision 9; 144G.09, subdivision 2; 144G.15; 144G.16, by adding a subdivision; 144G.195, subdivision 1; 144G.31, subdivision 7; 144G.40, by adding a subdivision; 144G.41, subdivisions 1, 2, by adding a subdivision; 144G.45, subdivision 3; 144G.61, subdivision 2; 144G.63, subdivisions 2, 5, by adding a subdivision; 245A.04, subdivisions 2, 2a; 245A.042, by adding a subdivision; 246.54, subdivision 2; 254A.03, subdivision 2; 254B.17; 256.01, subdivision 21; 256B.04, subdivision 23, by adding a subdivision; 256B.0625, by adding a subdivision; 256B.064, subdivision 2; 256B.0761, subdivision 2; 256B.0911, subdivision 26; 256B.092, subdivision 5; 256B.49, subdivision 11; 256S.205, subdivision 1; 297E.02, subdivision 3; Minnesota Statutes 2025 Supplement, sections 144.0724, subdivision 2; 144.121, subdivision 1a; 144A.474, subdivision 11; 144A.4799, subdivision 1; 144G.19, subdivision 5; 145D.40, by adding a subdivision; 145D.41, subdivisions 1, 2, by adding a subdivision; 254B.02, subdivision 5; 254B.03, subdivision 4; 254B.0503, subdivision 1; 254B.0509, subdivision 2; 256.4792, subdivisions 1, 7, by adding a subdivision; 256B.0625, subdivisions 17, 18i; 256B.0911, subdivision 14; 256B.092, subdivision 3b; 256B.49, subdivision 17a; 256B.4914, subdivision 8; 256I.04, subdivision 2a; 256S.205, subdivision 2; Laws 2023, chapter 61, article 1, sections 61, subdivision 4, as amended; 67, subdivision 3, as amended; article 9, section 2, subdivision 5, as amended; Laws 2024, chapter 125, article 1, section 47; article 8, section 2, subdivisions 4, 14, as amended, 20; Laws 2025, First Special Session chapter 3, article 8, section 43; article 20, section 19, subdivision 1; article 21, section 3, subdivision 2; Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9; article 4, sections 2; 23; 38; 39; 40; 41; 42; 43; 44; 50; proposing coding for new law in Minnesota Statutes, chapters 144A; 144G; 145D; 256B; repealing Minnesota Statutes 2024, sections 144A.04, subdivision 7; 256B.055, subdivision 14; 256B.0921; Minnesota Statutes 2025 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4, 5, 6; 256S.205, subdivision 7; Laws 2019, First Special Session chapter 9, article 5, section 86, as amended; Laws 2021, First Special Session chapter 7, article 13, sections 73, as amended; 75, subdivision 1, as amended."

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. 4667: A bill for an act relating to public safety; expanding eligibility for survivor benefits to include when a public safety officer dies in the line of duty from an exposure-related cancer; amending Minnesota Statutes 2024, section 299A.41, subdivision 3, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 299A.

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 299A.41, is amended by adding a subdivision to read:

Subd. 1a. **Carcinogen.** "Carcinogen" means an agent that is: (1) classified by the International Agency for Research on Cancer under Group 1 or Group 2A; and (2) reasonably linked to an exposure-related cancer.

Sec. 2. Minnesota Statutes 2024, section 299A.41, is amended by adding a subdivision to read:

Subd. 2a. **Exposure-related cancer.** "Exposure-related cancer" means only the following:

(1) bladder cancer;

(2) brain cancer;

(3) breast cancer;

(4) cervical cancer;

(5) colon cancer;

(6) colorectal cancer;

(7) esophageal cancer;

(8) kidney cancer;

(9) leukemia;

(10) lung cancer;

(11) malignant melanoma;

(12) mesothelioma;

(13) multiple myeloma;

(14) non-Hodgkin lymphoma;

(15) ovarian cancer;

(16) prostate cancer;

(17) skin cancer;

(18) stomach cancer;

(19) testicular cancer; and

(20) thyroid cancer.

Sec. 3. Minnesota Statutes 2024, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **Killed in the line of duty.** (a) "Killed in the line of duty" does not include deaths from natural causes, except as expressly provided in this subdivision. In the case of a public safety officer, killed in the line of duty includes the death of a public safety officer caused by accidental means while the public safety officer is acting in the course and scope of duties as a public safety officer. Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in a situation, and that engagement involved nonroutine stressful or strenuous physical activity in law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

(ii) participated in a training exercise, and that participation involved nonroutine stressful or strenuous physical activity;

(2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

(i) while engaging or participating under clause (1);

(ii) while still on duty after engaging or participating under clause (1); or

(iii) not later than 24 hours after engaging or participating under clause (1); and

(3) the presumption is not overcome by competent medical evidence to the contrary.

(b) "Killed in the line of duty" also ~~means that the officer~~ includes a public safety officer who died due to suicide:

(1) secondary to a diagnosis of posttraumatic stress disorder as described in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association; or

(2) within 45 days of the end of exposure, while on duty, to a traumatic event.

(c) Killed in the line of duty also includes the death of a public safety officer as a result of complications caused by exposure sustained in the line of duty to any of the following infectious diseases, viruses, or bacteria, if medical records identify the disease, virus, or bacteria as a cause of

or contributing factor to the death: COVID-19; influenza; hepatitis B; hepatitis C; tuberculosis; HIV/AIDS; meningitis; MRSA; whooping cough; or streptococcus pneumoniae.

(d) Killed in the line of duty also means a public safety officer shall be presumed to have been killed in the line of duty if the officer died from an exposure-related cancer that was a result of exposure to a carcinogen when:

(1) the exposure occurred while the public safety officer was acting in the course and scope of duties as a public safety officer;

(2) the public safety officer began serving as a public safety officer not fewer than five years before the date of the public safety officer's diagnosis of exposure-related cancer;

(3) the public safety officer was diagnosed with exposure-related cancer not more than 15 years after the public safety officer's last date of active service as a public safety officer; and

(4) the exposure-related cancer directly and proximately results in the death of the public safety officer.

(e) The presumption under paragraph (d) shall not apply if competent medical evidence establishes that the exposure of the public safety officer to the carcinogen was not a substantial contributing factor in the death of the public safety officer.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 4. Minnesota Statutes 2024, section 299A.41, is amended by adding a subdivision to read:

Subd. 3a. **Nonroutine strenuous physical activity.** "Nonroutine strenuous physical activity" means line-of-duty activity that:

(1) is not an action of a clerical, administrative, or nonmanual nature;

(2) is not performed as a matter of routine; and

(3) entails an unusually high level of physical exertion.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 5. Minnesota Statutes 2024, section 299A.41, is amended by adding a subdivision to read:

Subd. 3b. **Nonroutine stressful or strenuous physical activity.** "Nonroutine stressful or strenuous physical activity" means nonroutine stressful physical activity or nonroutine strenuous physical activity.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 6. Minnesota Statutes 2024, section 299A.41, is amended by adding a subdivision to read:

Subd. 3c. **Nonroutine stressful physical activity.** "Nonroutine stressful physical activity" means line-of-duty activity that:

(1) is not an action of a clerical, administrative, or nonmanual nature;

(2) is not performed as a matter of routine;

(3) entails nonnegligible physical exertion; and

(4) occurs:

(i) with respect to a situation in which a public safety officer is engaged under circumstances that objectively and reasonably:

(A) pose or appear to pose significant dangers, threats, or hazards, or reasonably foreseeable risks thereof, not faced by similarly situated members of the public in the ordinary course; and

(B) provoke, cause, or occasion an unusually high level of alarm, fear, or anxiety; or

(ii) with respect to a training exercise in which a public safety officer participates under circumstances that objectively and reasonably:

(A) simulate in realistic fashion situations that pose significant dangers, threats, or hazards; and

(B) provoke, cause, or occasion an unusually high level of alarm, fear, or anxiety.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 7. Minnesota Statutes 2024, section 299A.41, subdivision 4, is amended to read:

Subd. 4. **Public safety officer.** "Public safety officer" includes:

(1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a corrections staff person working in a public agency and supervising offenders in the community as defined in sections 243.05, subdivision 6; 244.19, subdivision 1; and 401.01, subdivision 2;

(4) an individual employed on a full-time or part-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in any of the following duties:

(i) firefighting;

(ii) emergency motor vehicle operation;

(iii) investigation into the cause and origin of fires;

(iv) the provision of emergency medical services; or

(v) hazardous material responder;

(5) a legally enrolled member of a volunteer or paid on-call fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(6) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(7) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(8) a driver or attendant with a licensed basic or advanced life-support transportation service who is engaged in providing emergency care;

(9) a first responder who is certified by the director of the Office of Emergency Medical Services to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance; ~~and~~

(10) a person, other than a state trooper, employed by the commissioner of public safety and assigned to the State Patrol, whose primary employment duty is either Capitol security or the enforcement of commercial motor vehicle laws and regulations~~.~~; and

(11) a person formerly employed as a public safety officer under clauses (1) to (5) or (7) to (10) if the person separated from service due to a duty disability, as defined in section 353.01, subdivision 41.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 8. **[299A.412] DETERMINING WHAT IS ROUTINE.**

Neither of the following is dispositive in determining whether an activity or action is understood to have been performed as a matter of routine under section 299A.41:

(1) being generally described by the public safety agency as routine or ordinary; or

(2) the frequency with which the activity or action may be performed.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 9. **[299A.413] EXPOSURE-RELATED CANCER CLAIMS.**

(a) An individual may file a claim that is predicated upon a public safety officer's line of duty death that is the direct and proximate result of an exposure-related cancer if the death occurred on or after January 1, 2020.

(b) Notwithstanding any law to the contrary, a person eligible to file a claim for an exposure-related cancer line of duty death of a public safety officer that occurred after January 1, 2020, but before final enactment of this act, has three years from the date of final enactment of this act to file the claim."

Amend the title as follows:

Page 1, line 2, delete everything after "benefits" and insert a semicolon

Page 1, delete line 3

Amend the title numbers accordingly

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

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 4404: A bill for an act relating to jails; providing medications for persons detained in jails; amending Minnesota Statutes 2025 Supplement, section 241.021, subdivision 4f.

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 241.021, subdivision 4f, is amended to read:

Subd. 4f. **Provision of medications in correctional facilities.** (a) Correctional facilities licensed by the commissioner shall administer to confined and incarcerated persons the same medications prescribed to those individuals prior to their confinement or incarceration upon such prescriptions being verified as current and valid by the correctional facility based on information reasonably available to the facility's staff at the time of intake and documented in the person's medical records. A facility must make a reasonable attempt to verify a prescription as current and valid and staff must document their efforts to verify the prescription. A reasonable attempt will be considered to have been made if a licensed health care professional or facility staff seeks to confirm the prescription through one or more reliable sources, including but not limited to the confined or incarcerated person, prescription records, pharmacies, health care providers, or prescription monitoring programs.

(b) Unless a confined or incarcerated person is subject to a Jarvis order, which is an order issued under section 253B.092, subdivision 8, that dictates otherwise, paragraph (a) does not apply when:

(1) a licensed health care professional determines, after ~~consulting~~ making reasonable efforts to consult with the ~~licensed~~ health care professional who prescribed the medication, that the prescribed medication is not medically appropriate for the person based on the person's current medical condition or status;

(2) a licensed health care professional determines ~~a~~ that the medication should be changed to a different medication available to treat the condition that is at least as effective as the current medication the person is prescribed ~~is available to treat the condition and the licensed health care professional who prescribed the current medication approves the change in medications~~ and reasonable attempts were made to consult the health care professional who prescribed the medication; ~~or~~

(3) the physical or mental condition of the person creates a medical or mental health emergency that requires an immediate medication change based on circumstances that either exist or would be caused by the continuation of current medications when those circumstances are identified and documented by a licensed health care professional; or

(4) the person ~~provides written notice to~~ informs the licensed health care professional who is responsible for inmate health care at the correctional facility or the licensed health care professional's designee that the person no longer desires to take the medication and the decision is documented in the person's medical records.

(c) As used in this subdivision, "licensed health care professional" means a physician licensed under chapter 147, physician assistant licensed under chapter 147A, or advanced practice registered nurse as defined in section 148.171, subdivision 3."

And when so amended the bill do pass.

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 3432: A bill for an act relating to public safety; establishing the public safety radio and crime victims account; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 403.11, subdivisions 1, 1a; 403.113, subdivision 1; 403.161, subdivisions 1, 3, 5, 6; 403.162, subdivisions 1, 5; proposing coding for new law in Minnesota Statutes, chapter 403.

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 638.09, is amended by adding a subdivision to read:

Subd. 6. **Panel of members; prescreening applications.** (a) The commission may appoint panels of three members to prescreen clemency and waiver applications. Each panel must be comprised of a member appointed by the governor, the attorney general, and the chief justice of the supreme court.

(b) A panel's meeting must be open to the public. The third-party notification provisions of section 638.11 do not apply to panel meetings. The applicant is not required to attend the panel meeting where the panel reviews the applicant's application. In addition to the information contained

in the application, the panel may consider any other statements or information submitted by an interested party.

(c) Except as otherwise provided for in paragraph (d), a panel may take one of the following actions:

(1) recommend that the board deny the application without a commission hearing, if the vote is unanimous; or

(2) refer the application to the commission for a hearing.

(d) Panels may be used to review requests for expedited processing of pardon applications if the commission and board adopt rules that establish objective criteria for determining which applications are eligible for expedited processing. A panel may take one of the following actions on applications eligible for expedited processing:

(1) recommend that the board deny the application without a commission hearing, if the vote is unanimous;

(2) refer the application to the commission for a hearing; or

(3) recommend that the board grant the application without a hearing, if the vote is unanimous.

Sec. 2. Minnesota Statutes 2024, section 638.12, subdivision 2, is amended to read:

Subd. 2. **Pardon eligibility; waiver.** (a) Except as provided in paragraphs (b) and (c), an individual convicted of a crime in a court of this state may apply for a pardon of the individual's conviction on or after five years from the sentence's expiration or discharge date.

(b) An individual convicted before August 1, 2023, of a violation of section 609.19, subdivision 1, clause (1), under the theory of liability for crimes of another may apply for a pardon upon the sentence's expiration or discharge date if the individual:

(1) was charged with a violation of section 609.185, paragraph (a), clause (3), and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being; or

(2) was charged with a violation of section 609.19, subdivision 2, and:

(i) thereafter pled guilty to a violation of section 609.19, subdivision 1, clause (1);

(ii) did not cause the death of a human being; and

(iii) was not a major participant, as defined in section 609.05, subdivision 2a, paragraph (c), in the underlying felony or did not act with extreme indifference to human life.

(c) An individual may request the board to waive the waiting period if there is a showing of unusual circumstances and special need.

(d) The commission must review a waiver request and recommend to the board whether to grant the request. When considering a waiver request, the commission ~~is~~ and the board are exempt from the meeting requirements under section 638.14 and chapter 13D.

(e) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

Sec. 3. Minnesota Statutes 2024, section 638.14, subdivision 5, is amended to read:

Subd. 5. **Applicant appearance; third-party statements.** (a) Except as provided for in paragraph (e), an applicant for clemency must appear before the commission either in person or through available forms of telecommunication.

(b) The victim of an applicant's crime may appear and speak at the meeting or submit a written statement to the commission. The commission may treat a victim's written statement as confidential and not disclose the statement to the applicant or the public if there is or has been an order for protection, harassment restraining order, or other no-contact order prohibiting the applicant from contacting the victim. At the request of the victim, the commission may treat a victim's written statement as confidential and not disclose the statement to the public.

(c) A law enforcement agency's representative may provide the agency's position on whether the commission should recommend clemency by:

(1) appearing and speaking at the meeting; or

(2) submitting a written statement to the commission.

(d) The sentencing judge and the prosecuting attorney, or their successors, may provide their positions on whether the commission should recommend clemency by:

(1) appearing and speaking at the meeting; or

(2) submitting their statements under section 638.11, subdivision 2.

(e) The governor may waive the hearing requirement under paragraph (a) if:

(1) the applicant's petition requires immediate review by the board;

(2) waiver of the hearing serves a significant public interest;

(3) the applicant has previously appeared before the board; or

(4) the applicant provides good cause to do so.

Sec. 4. Minnesota Statutes 2024, section 638.16, subdivision 1, is amended to read:

Subdivision 1. **Frequency.** (a) The board must meet at least two times each year to consider and vote on clemency applications.

(b) If the commission recommends that an application receive a hearing, the board must hold a hearing on the application unless all the board members decline a hearing.

(c) If the commission recommends that an application not receive a hearing, the board must not hold a hearing on the application unless at least one board member requests a hearing.

(d) Pursuant to section 638.09, subdivision 6, if a panel of the commission recommends granting or denying an application without a full commission hearing, the board may:

(1) adopt the panel's recommendation; or

(2) direct the full commission to conduct a hearing on the application.

(e) If the governor waives the hearing requirement for an application pursuant to section 638.14, subdivision 5, paragraph (e), the board must hold a hearing on that application.

Sec. 5. **APPROPRIATION.**

$375,000 in fiscal year 2027 is appropriated from the general fund to the Clemency Review Commission to increase the commission's capacity to process clemency petitions."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "appropriating" and insert "modifying provisions relating to clemency applications;"

Amend the title numbers accordingly

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

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 4377: A bill for an act relating to transportation; authorizing certain transit and bicycle related parking enforcement through use of transit obstruction camera systems; establishing a penalty; providing for data practices; appropriating money; amending Minnesota Statutes 2024, sections 13.6905, by adding a subdivision; 13.824, subdivisions 1, 2a; 169.011, by adding a subdivision; 169.04; 169.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Pursuant to Senate Concurrent Resolution No. 6, the bill was referred to the Committee on Rules and Administration.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 3720: A bill for an act relating to labor and industry; modifying building code administration; amending Minnesota Statutes 2024, section 326B.107, subdivisions 2, 3.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 3720 and that the report from the Committee on Labor, shown in the Journal for April 20, 2026, be adopted; that committee recommendation being:

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

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

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 provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 3969 and that the report from the Committee on Education Finance, shown in the Journal for April 9, 2026, be adopted; that committee recommendation being:

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

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 1961: A bill for an act relating to insurance; requiring health plans to cover infertility treatment and standard fertility preservation services; requiring medical assistance and MinnesotaCare to cover infertility treatment and standard fertility preservation services; appropriating money; amending Minnesota Statutes 2024, section 256B.0625, by adding a subdivision; Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 1961 and that the report from the Committee on Health and Human Services, shown in the Journal for April 13, 2026, be adopted; that committee recommendation being:

"the bill do pass and be re-referred to the Committee on Finance". Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 5000: A bill for an act relating to finance; establishing a onetime school safety aid and grant program; appropriating money.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 5000 and that the report from the Committee on Education Finance, shown in the Journal for April 9, 2026, be adopted; that committee recommendation being:

"the bill do pass and be re-referred to the Committee on Finance". Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 3210: A bill for an act relating to human rights; prohibiting discrimination based on disability status; amending Minnesota Statutes 2024, section 363A.19.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 3210 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 13, 2026, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 4535: A bill for an act relating to economic development; establishing a Minnesota business recovery loan program; appropriating money; requiring a report.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 4535 and that the report from the Committee on Jobs and Economic Development, shown in the Journal for April 16, 2026, be adopted; that committee recommendation being:

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

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 4244: A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2024, sections 3.9215, subdivision 4; 3.9741, subdivision 1; 13.202, subdivision 11; 13.3806, subdivision 22; 13.461, subdivision 7a; 13.55, subdivision 1; 13.825, subdivision 2; 34.02; 43A.34, subdivision 3; 52.09, subdivision 2; 60D.18, subdivision 5; 62A.318, subdivision 5; 65A.35, subdivision 5; 65B.133, subdivision 1; 65B.15, subdivision 1; 66A.16, subdivision 2; 80E.13; 115.48, subdivision 2; 115A.28, subdivision 2; 118A.09, subdivision 3; 120B.234, subdivision 2; 120B.303, subdivision 1; 121A.15, subdivisions 3b, 11; 121A.425, subdivision 1; 124D.03, subdivision 3; 124D.094, subdivision 2; 124D.096; 124D.59, subdivision 2; 125A.76, subdivision 2f; 126C.05, subdivision 1; 126C.17, subdivision 9; 126C.40, subdivision 5; 135A.15, subdivision 1; 136A.031, subdivision 3; 136A.1241, subdivision 2; 136A.829, subdivision 3; 136A.84, subdivision 1; 142A.03, subdivision 32; 142A.05; 142A.604, subdivision 2; 142B.01, subdivision 8; 142B.03, subdivisions 1, 2; 142B.05, subdivisions 7, 8; 142B.10, subdivision 1; 142B.12, subdivision 4; 142B.41, subdivision 3; 142D.08, subdivisions 5, 6; 142D.20, subdivision 2; 142D.32, subdivision 2; 142E.16, subdivision 2; 142G.22, subdivision 1; 142G.25; 142G.40, subdivision 1; 142G.57, subdivisions 2, 4; 144E.28, subdivision 8; 145.882, subdivision 5a; 145.8821; 148B.59; 148F.165, subdivision 2; 148F.205, subdivision 5; 148F.2051; 151.72, subdivision 2; 152.29, subdivision 5; 157.22; 169.223, subdivision 4; 169.99, subdivision 1; 181.211, subdivision 10; 204B.06, subdivision 9; 211B.04, subdivision 3; 214.06, subdivision 1a; 216B.16, subdivisions 6b, 6c; 216B.2411, subdivisions 1, 2; 216B.2425, subdivision 7; 216B.2427, subdivisions 1, 2; 216C.437, subdivision 19; 216I.06, subdivision 2; 240A.03, subdivision 6; 245A.03, subdivisions 6, 7; 245A.07, subdivision 2a; 245D.03, subdivision 2; 245F.03; 245G.11, subdivision 1; 245G.22, subdivision 6; 253B.02, subdivision 4c; 256.017, subdivision 2; 256.043, subdivision 1; 256.9657, subdivisions 1a, 3; 256.975, subdivisions 7d, 9; 256B.04, subdivision 15; 256B.051, subdivision 7; 256B.0624, subdivision 4; 256B.0658; 256B.0911, subdivision 29; 256B.15, subdivision 1h; 256B.196, subdivision 2; 256B.1973, subdivision 1; 256B.431, subdivision 17d; 256B.69, subdivision 16; 256B.77, subdivisions 4, 5; 256B.85, subdivisions 7b, 20; 256D.01, subdivisions 1, 1e, 2; 256D.02, subdivision 1; 256D.03, subdivision 1; 256D.04; 256D.045; 256D.05, subdivision 8; 256D.06, subdivision 7; 256D.07; 256D.16; 256F.10, subdivisions 6, 7; 256I.04, subdivision 1; 256I.05, subdivision 1c; 256K.10, subdivision 3; 256S.21, subdivision 3; 257.05, subdivision 3; 257.0755, subdivision 3; 259.41, subdivision 1; 259.83, subdivision 1; 260.67, subdivision 2; 260C.001, subdivision 1; 260C.4411, subdivision 1; 260C.4412; 260E.17, subdivision 2; 260E.33, subdivision 6a; 260E.35, subdivision 3; 275.011, subdivisions 1, 2; 290.01, subdivision 19; 290.0132, subdivision 32; 290.095, subdivision 11; 295.50, subdivision 4; 295.81, subdivision 1; 296A.06, subdivision 1; 297A.9915, subdivision 5; 297I.20, subdivisions 1, 3; 298.75, subdivision 2; 309.531, subdivision 2; 321.1109; 325F.071, subdivision 1; 327B.04,

subdivision 8; 332.30; 336.7-209; 336.9-317; 352.01, subdivision 2a; 353D.07, subdivision 5; 353G.18, subdivision 2; 353G.19, subdivision 6; 356.47, subdivision 3; 363A.07, subdivision 4; 363A.08, subdivision 4; 424A.05, subdivision 5; 424B.13, subdivisions 5, 6; 424B.22, subdivisions 7, 8; 458D.08; 462A.07, subdivision 20; 469.174, subdivision 10; 473.121, subdivision 5a; 473.164; 473.4057, subdivision 7; 473.755, subdivision 4; 473J.12, subdivision 2; 473J.13, subdivision 3; 491A.03, subdivision 4; 504B.361, subdivision 1; 518.10, subdivision 1; 518.175, subdivision 6; 518A.40, subdivision 1; 518A.41, subdivision 1; 518A.51; 518A.56, subdivision 11; 518C.613; 609.232, subdivision 11; 611A.37, subdivision 1; 611A.372; 624.7192; Minnesota Statutes 2025 Supplement, sections 13.46, subdivisions 2, 4; 65B.05; 120B.117, subdivision 4; 124F.01, subdivision 2; 136A.054; 142G.01, subdivision 3; 148.6404; 148.6408, subdivision 2; 161.14, subdivision 109; 161.45, subdivision 4; 168.012, subdivision 1; 168A.01, subdivisions 18, 19, 20; 171.301, subdivision 1; 216B.1622, subdivision 2; 245A.04, subdivision 1; 245A.191; 245C.08, subdivision 1; 253B.10, subdivision 1; 254B.0507, subdivision 2; 256B.055, subdivision 12; 256B.0615, subdivision 1; 256B.0616, subdivision 1; 256B.0924, subdivision 6; 256B.0943, subdivision 9; 256B.761, subdivision 2; 257.0769, subdivision 1; 260.65; 297I.20, subdivision 7; 299C.061, subdivision 1; 353D.07, subdivision 2; 357.021, subdivision 1a; 423A.022, subdivision 2; 424A.015, subdivision 4; 473.4465, subdivision 2; 580.07, subdivisions 1, 2; Laws 2023, chapter 1, section 22, as amended; repealing Minnesota Statutes 2024, sections 13.461, subdivision 16a; 137.50, subdivision 5; 142E.50, subdivisions 1, 4, 7; 256.9756, subdivision 3; 256B.092, subdivision 4b; 256R.50, subdivision 6; 257E.10, subdivision 11; 272.02, subdivision 31; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 289A.60, subdivision 15; 297I.15, subdivision 2; 383B.1511; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.565; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.596; 473.598; 473.599; 473.5995; 473.76; 473.763; 477A.18; 480.011; 504B.345, subdivision 2; Laws 2024, chapter 79, article 1, section 20; Laws 2025, chapter 21, sections 56; 57.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 4244 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 16, 2026, be adopted; that committee recommendation being:

"the bill do pass". Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 1119: A bill for an act relating to commerce; prohibiting access to nudification technology; imposing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 1119 and that the report from the Committee on Commerce and Consumer Protection, shown in the Journal for April 20, 2026, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 4144: A bill for an act relating to public safety; requiring disclosure of chemical irritants used in certain buildings; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 4144 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 15, 2026, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

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

S.F. No. 4807: A bill for an act relating to state government; modifying the amount of pay for commissioned officers and enlisted members engaged in state active service; establishing standards for use of competitive grants issued by the Department of Veterans Affairs; modifying eligibility for burial in state veterans cemeteries; requiring a report; amending Minnesota Statutes 2024, section 197.231; Minnesota Statutes 2025 Supplement, sections 192.49, subdivision 1; 197.236, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 196; repealing Minnesota Statutes 2025 Supplement, section 192.49, subdivision 2.

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

Page 1, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2024, section 171.07, subdivision 15, is amended to read:

Subd. 15. **Veteran designation.** (a) At the request of an eligible applicant and on payment of the required fee, the department must issue, renew, or reissue to the applicant a driver's license or Minnesota identification card bearing a graphic or written designation of:

(1) Veteran; ~~or~~

(2) Veteran 100% T&P; or

(3) SGU Veteran.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must:

(1) be one of the following:

(i) a veteran, as defined in section 197.447; ~~or~~

(ii) a retired or honorably discharged member of the National Guard or a reserve component of the United States armed forces; or

(iii) a veteran of the Secret War in Laos, as defined in section 197.448, subdivision 1, paragraph (e);

(2) provide a certified copy of the applicant's discharge papers that confirms an honorable or general discharge under honorable conditions status, ~~or~~ a military retiree identification card, a veteran identification card, ~~or~~ a veteran health identification card, or an eligibility certificate under section 197.448 if the applicant seeks the designation under paragraph (a), clause (3); and

(3) if the applicant is seeking the disability designation under paragraph (a), clause (2), provide satisfactory evidence of a 100 percent total and permanent service-connected disability as determined by the United States Department of Veterans Affairs.

EFFECTIVE DATE. This section is effective November 1, 2026."

Page 4, line 19, delete "(a)" and insert "(b)" and delete "(2)" and insert "(3)"

Page 4, delete section 4 and insert:

"Sec. 3. Minnesota Statutes 2025 Supplement, section 197.236, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "minor child" means an unmarried child under 21 years of age or under 23 years of age and pursuing a full-time course of instruction at an approved educational institution;

(2) "unmarried adult child" means an unmarried child who became permanently physically or mentally disabled and incapable of self support before 21 years of age or before 23 years of age and pursuing a full-time course of instruction at an approved educational institution; and

(3) "willful misconduct" means an act involving conscious wrongdoing or known prohibited action as described in United States Code, title 38, section 3.1, paragraph (n).

(b) Cemeteries must be operated solely for the burial of the following persons:

(1) service members who die on active duty, eligible veterans, and ~~their spouses and dependent children,~~ other persons as ~~defined~~ listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to ~~5~~ 4 and 7~~.~~;

(2) veterans of the Secret War in Laos;

(3) beginning January 1, 2027, members of a reserve component of the armed forces, and any member of the Army National Guard or the Air National Guard when:

(i) the member completed at least one full term of service and received an honorable discharge; or

(ii) the member's death occurs while in good standing with their assigned component and was not due to their willful misconduct;

(4) spouses, surviving spouses, minor children, or unmarried adult children of a person listed in United States Code, title 38, section 2402, paragraph (a), subparagraphs 1 to 4 and 7; and

(5) beginning January 1, 2027, spouses, surviving spouses, minor children, or unmarried adult children of a person listed in clause (3).

For purposes of this section, a surviving spouse includes a surviving spouse who had a subsequent marriage.

(c) An honorable discharge under this section does not include a general discharge under honorable conditions.

(d) Applicants with convictions under United States Code, title 18, section 704, are ineligible for burial in state veterans cemeteries. By January 1, 2027, the commissioner must establish a process to verify that applicants for burial have not been convicted of stolen valor."

Page 5, line 28, delete "(a)" and insert "(b)"

Page 5, line 29, delete "and (3)" and insert "to (5)"

Page 6, delete section 6 and insert:

"Sec. 5. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 1, is amended to read:

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

(b) "Commissioner" has the meaning given in section 197.61, subdivision 2, paragraph (c).

(c) "Department" has the meaning given in section 197.61, subdivision 2, paragraph (e).

(d) "VA" has the meaning given in section 197.61, subdivision 2, paragraph (g).

(e) "Veteran of the Secret War in Laos" or "SGU veteran" means a person who resides in Minnesota and who:

(1) was naturalized as provided in section 2(1) of the federal Hmong Veterans' Naturalization Act of 2000, Public Law 106-207; or

(2) is a person who the commissioner of veterans affairs determines served honorably with a special guerrilla unit or with irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States.

Sec. 6. Minnesota Statutes 2025 Supplement, section 197.448, subdivision 2, is amended to read:

Subd. 2. **Eligibility for benefits and privileges.** (a) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (1), is entitled to the benefits and privileges listed in paragraph (d) on July 2, 2025.

(b) A veteran of the Secret War in Laos, as defined in subdivision 1, paragraph (e), clause (2), is entitled to the benefits and privileges listed in paragraph (d) after the commissioner of veterans affairs verifies the person's veteran status. ~~The commissioner must not begin accepting applications for verification under this paragraph until the legislature enacts criteria and a protocol to determine:~~

~~(1) which Minnesotans served in special guerilla units or with irregular forces in Laos; and~~

~~(2) which of the Minnesotans who served in special guerilla units or with irregular forces in Laos are deserving of Minnesota veterans benefits.~~

(c) If the commissioner verifies a person's status as a veteran of the Secret War in Laos, the commissioner must provide the person with a certificate of eligibility for the benefits and privileges listed in paragraph (d) on a form developed by the commissioner for this purpose. The commissioner must develop the form required under this paragraph no later than September 15, 2025.

(d) The following statutory benefits and privileges available to a veteran, as defined in section 197.447, are also available to a veteran of the Secret War in Laos: ~~section 171.07, subdivision 15 (veteran designation on drivers' licenses and state identification cards);~~ section 43A.09 (civil service recruitment); section 43A.11 (veterans preference in state employment); section 43A.111 (certain disabled veterans); section 197.23 (purchase of grave markers); section 197.231 (honor guards); section 197.236 (state veterans cemeteries); section 197.455 (veterans preference); section 197.4551 (permissive preference for veterans in private employment); section 197.46 (writ of mandamus); section 197.48 (application); section 197.481 (enforcement by commissioner); and section 197.63 (vital records, certified copies)~~; section 197.65 (renewal of professional licenses, motor vehicle registration, and drivers' licenses); and section 197.987 (honor and remember flag)~~.

Sec. 7. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 3. **Eligibility determination.** (a) The commissioner must establish an application process to determine a veteran's eligibility for the benefits in subdivision 2, paragraph (d).

(b) To establish eligibility, an applicant must submit a completed application for preneed determination of eligibility for burial in a VA national cemetery. County veteran service officers and the commissioner must provide assistance to applicants filling out the application. The commissioner must make copies of the application and any successor form available on the department's website and at the department's offices.

(c) After the VA makes a determination on the application, the applicant must submit the determination to the commissioner. If the VA determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

Sec. 8. Minnesota Statutes 2025 Supplement, section 197.448, is amended by adding a subdivision to read:

Subd. 4. **Special consideration.** (a) If the VA determines that an applicant is not eligible, the applicant may request special consideration from the commissioner. The commissioner must establish a process to request special consideration consistent with the requirements of this subdivision. The commissioner must make applicable forms to request special consideration available on the department's website and at certain department offices.

(b) An applicant seeking special consideration under this subdivision must submit the following to the commissioner:

(1) documentation from the VA regarding the determination of ineligibility; and

(2) at least two different forms of documentation supporting the applicant's claim of veteran status, which may include:

(i) original service-related documents;

(ii) an affidavit from a commissioned officer, noncommissioned officer, or other member of the applicant's chain of command who has direct knowledge of the applicant's service;

(iii) two affidavits from individuals who served with the applicant in a special guerrilla unit or irregular force and who have personal knowledge of the applicant's service; or

(iv) other appropriate and relevant proof of the applicant's service as determined by the commissioner, including but not limited to:

(A) photographs taken during the applicant's service in Laos;

(B) newspaper articles featuring or citing the applicant's service in a special guerrilla unit or irregular force;

(C) certificates of membership from a veteran's organization such as the Lao-Hmong American Coalition; Lao Veterans of America; SGU Veterans and Families of USA, Inc.; and Royal Lao Armed Forces and SGU;

(D) congressional recognition certificates;

(E) certificates of training;

(F) letters of commendation; or

(G) an affidavit from a case officer or former case officer in the United States intelligence services.

(c) The commissioner must review an application for special consideration submitted under this subdivision. The commissioner may request additional information from an applicant to validate the contents of an application for special consideration. If the commissioner determines that an applicant is eligible to receive benefits under subdivision 2, paragraph (d), the commissioner must issue a certificate of eligibility to the applicant for the benefits and privileges under subdivision 2, paragraph (d).

(d) If an application for special consideration is denied by the commissioner, an applicant may request a contested case hearing to challenge the commissioner's denial by filing a request with the commissioner within 60 days of the date of the denial notice. The request must state specific reasons for contesting the denial. A contested case hearing on a timely and properly filed request must be conducted according to the procedures in sections 14.57 to 14.62.

(e) The deadline to submit an application for eligibility under this subdivision is December 31, 2030.

Sec. 9. **APPROPRIATIONS.**

(a) $59,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of veterans affairs for the purposes of this act.

(b) $141,000 in fiscal year 2027 is appropriated from the driver and vehicle services operating account in the special revenue fund to the commissioner of public safety for the purposes of this act. This is a onetime appropriation."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "modifying benefits available to veterans of the Secret War in Laos; directing the commissioner of veterans affairs to establish an eligibility process;"

Page 1, delete lines 3 and 4

Page 1, line 5, after the second semicolon, insert "making technical changes; appropriating money;"

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 3210, 4244, 1119, 4144, and 4807 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Lieske, Lucero, Wesenberg, Gruenhagen, and Holmstrom introduced--

S.F. No. 5185: A bill for an act relating to transportation; requiring display of gas tax on sales receipt; removing indexed increases to the motor fuels tax; amending Minnesota Statutes 2024, sections 239.7511; 296A.07, subdivision 3; 296A.08, subdivision 2.

Referred to the Committee on Transportation.

Senator Mann introduced--

S.F. No. 5186: A bill for an act relating to public safety; establishing that exposure of a human breast alone is not indecent exposure; amending Minnesota Statutes 2024, section 617.23, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senator Mann introduced--

S.F. No. 5187: A bill for an act relating to health insurance; prohibiting the use of step therapy protocols for the treatment of neurological conditions; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Commerce and Consumer Protection.

Senator Hoffman introduced--

S.F. No. 5188: A bill for an act relating to taxation; local sales and use; authorizing the city of Champlin to impose a local sales tax.

Referred to the Committee on Taxes.

Senators Lieske, Holmstrom, Lucero, and Wesenberg introduced--

S.F. No. 5189: A bill for an act relating to taxation; income, corporate franchise, and insurance premiums; providing a credit for contributions to women's pregnancy centers; amending Minnesota Statutes 2024, section 297I.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Xiong introduced--

S.F. No. 5190: A bill for an act relating to capital investment; appropriating money for a new water tower in the city of North St. Paul; canceling a prior appropriation for the city of North St. Paul.

Referred to the Committee on Capital Investment.

Senator Housley introduced--

S.F. No. 5191: A bill for an act relating to transportation; appropriating money for improvements at the intersection of marked U.S. Highway 61 and Washington County State-Aid Highway 32 in the city of Forest Lake; authorizing the sale and issuance of state bonds.

Referred to the Committee on Transportation.

Senators Lieske, Coleman, and Jasinski introduced--

S.F. No. 5192: A bill for an act relating to local government; permitting townships to regulate lawful gambling; amending Minnesota Statutes 2024, sections 349.16, subdivision 8; 349.213.

Referred to the Committee on State and Local Government.

Senators Kreun, Gustafson, Seeberger, Housley, and Clark introduced--

S.F. No. 5193: A bill for an act relating to taxation; establishing a tax on certain individuals and organizations convicted of and benefiting from fraud; proposing coding for new law in Minnesota Statutes, chapter 295.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Gustafson moved that her name be stricken as a co-author to S.F. No. 3432. The motion prevailed.

Senator Latz moved that the names of Senators Dibble and Johnson Stewart be added as co-authors to S.F. No. 3432. The motion prevailed.

Senator Dornink moved that his name be stricken as a co-author to S.F. No. 4059. The motion prevailed.

Senator Lang moved that his name be stricken as a co-author to S.F. No. 4059. The motion prevailed.

Senator Pappas moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 4409. The motion prevailed.

Senator Howe introduced --

Senate Resolution No. 77: A Senate resolution congratulating Kenley Kierstead-Hahn on her achievements in the sport of wrestling.

Referred to the Committee on Rules and Administration.

Senator Hauschild introduced --

Senate Resolution No. 78: A Senate resolution expressing the sense of the Senate opposing the use of foreign steel in the construction of a ballroom at the White House.

Referred to the Committee on Rules and Administration.

Senator Pratt moved that S.F. No. 5045 be withdrawn from the Committee on Taxes and returned to its author. The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 4760, 4282; H.F. No. 4118; S.F. No. 2691; H.F. No. 3699; and S.F. No. 3888.

SPECIAL ORDER

S.F. No. 4760: 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.

Senator Latz moved to amend S.F. No. 4760 as follows (A-6):

Page 66, after line 27, insert:

"ARTICLE 10

INMATE MEDICATIONS

Section 1. Minnesota Statutes 2025 Supplement, section 241.021, subdivision 4f, is amended to read:

Subd. 4f. **Provision of medications in correctional facilities.** (a) Correctional facilities licensed by the commissioner shall administer to confined and incarcerated persons the same medications prescribed to those individuals prior to their confinement or incarceration upon such prescriptions being verified as current and valid by the correctional facility based on information reasonably available to the facility's staff at the time of intake and documented in the person's medical records.

A facility must make a reasonable attempt to verify a prescription as current and valid and staff must document their efforts to verify the prescription. A reasonable attempt will be considered to have been made if a licensed health care professional or facility staff seeks to confirm the prescription through one or more reliable sources, including but not limited to the confined or incarcerated person, prescription records, pharmacies, health care providers, or prescription monitoring programs.

(b) Unless a confined or incarcerated person is subject to a Jarvis order, which is an order issued under section 253B.092, subdivision 8, that dictates otherwise, paragraph (a) does not apply when:

(1) a licensed health care professional determines, after ~~consulting~~ making reasonable efforts to consult with the ~~licensed~~ health care professional who prescribed the medication, that the prescribed medication is not medically appropriate for the person based on the person's current medical condition or status;

(2) a licensed health care professional determines ~~a~~ that the medication should be changed to a different medication available to treat the condition that is at least as effective as the current medication the person is prescribed ~~is available to treat the condition and the licensed health care professional who prescribed the current medication approves the change in medications~~ and reasonable attempts were made to consult the health care professional who prescribed the medication; ~~or~~

(3) the physical or mental condition of the person creates a medical or mental health emergency that requires an immediate medication change based on circumstances that either exist or would be caused by the continuation of current medications when those circumstances are identified and documented by a licensed health care professional; or

(4) the person ~~provides written notice to~~ informs the licensed health care professional who is responsible for inmate health care at the correctional facility or the licensed health care professional's designee that the person no longer desires to take the medication and the decision is documented in the person's medical records.

(c) As used in this subdivision, "licensed health care professional" means a physician licensed under chapter 147, physician assistant licensed under chapter 147A, or advanced practice registered nurse as defined in section 148.171, subdivision 3.

ARTICLE 11

COERCION CRIME

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.

ARTICLE 12

DOMESTIC ABUSE

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.

ARTICLE 13

REVERSE-LOCATION AND REVERSE-KEYWORD DATA

Section 1. **[626A.45] REVERSE-LOCATION AND REVERSE-KEYWORD DATA.**

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

(b) "Government entity" has the meaning given in section 13.02, subdivision 7a.

(c) "Reverse-keyword court order" means a court order, including a search warrant or subpoena, compelling the disclosure of records or information identifying any unnamed persons, by name or other unique identifier, who electronically searched for a particular word, phrase, or website or who visited a particular website through a link generated by the search, regardless of whether or not the order is limited to a specific geographic area or time frame.

(d) "Reverse-keyword request" means a request, in the absence of a court order, by a government entity for the voluntary provision of records or information identifying any unnamed persons, by name or other unique identifier, who electronically searched for a particular word, phrase, or website or who visited a particular website through a link generated by the search, regardless of whether or not the request is limited to a specific geographic area or time frame.

(e) "Reverse-location court order" means a court order, including a search warrant or subpoena, compelling the disclosure of records or information pertaining to the location of unspecified electronic devices or the devices' unnamed users or owners, whose scope extends to an unknown number of electronic devices present in a given geographic area at a given time, whether the location is measured by global positioning system coordinates, cell tower connectivity, Wi-Fi positioning, or other forms of location detection.

(f) "Reverse-location request" means a request, in the absence of a court order, by a government entity for the voluntary provision of records or information pertaining to the location of unspecified electronic devices or the devices' unnamed users or owners, whose scope extends to an unknown number of electronic devices present in a given geographic area at a given time, whether the location is measured by global positioning system coordinates, cell tower connectivity, Wi-Fi positioning, or other forms of location detection.

(g) "Sudden emergency" means any of the following events for which the governor has declared a peacetime emergency under section 12.31:

(1) an act of nature;

(2) a technological failure or malfunction;

(3) a terrorist incident;

(4) an industrial accident; or

(5) a hazardous materials accident.

Subd. 2. **Prohibition on requests.** (a) Except in the event of a sudden emergency, no government entity or individual acting on behalf of the state or a local government agency or office shall:

(1) seek from a court a reverse-location court order or a reverse-keyword court order;

(2) seek, secure, obtain, borrow, or purchase information or data obtained through a reverse-location court order or a reverse-keyword court order;

(3) make a reverse-location request or a reverse-keyword request;

(4) seek, secure, obtain, borrow, or purchase information or data obtained through a reverse-location request or a reverse-keyword request;

(5) seek the assistance of an agency of the federal government or an agency of the government of another state or subdivision of that state to obtain information or data from a reverse-location court order, reverse-keyword court order, reverse-location request, or reverse-keyword request if the government entity would be barred from directly seeking the information under this section; or

(6) enforce, assist with the enforcement of, or otherwise honor a reverse-keyword court order, reverse-location court order, reverse-location request, or reverse-keyword request issued in another state.

(b) No court shall issue a reverse-keyword court order or reverse-location court order, or enforce, assist with the enforcement of, or otherwise honor a reverse-keyword court order or reverse-location court order issued in another state except in the event of a sudden emergency.

(c) The failure of a government entity or individual acting on behalf of a government entity to comply with a reverse-keyword court order, reverse-location court order, reverse-location request, or reverse-keyword request issued in or originating from Minnesota or any other state must not be the basis for contempt under section 588.01.

Subd. 3. **Inadmissibility.** (a) Except as provided in paragraph (c), evidence obtained in violation of this section or derived from information obtained in violation of this section is inadmissible in a criminal, civil, or administrative proceeding.

(b) For purposes of this subdivision, evidence is derived from information obtained in violation of this section if the government entity would not have originally possessed the information but for the act prohibited under subdivision 2. Evidence derived from information obtained in violation of this section is inadmissible regardless of whether the information is attenuated from the act prohibited under subdivision 2, would inevitably have been discovered, or was subsequently obtained through other means.

(c) Evidence obtained in violation of this section is admissible for the purpose of proving that a violation occurred under this section.

Subd. 4. **Notice; civil action.** (a) A government entity that obtains a person's identifying information in violation of this section must notify the person in writing of the violation if the government entity has access to the person's contact information. The notification must include the legal recourse available to that person under paragraph (b).

(b) A person whose name or other identifying information was obtained by a government entity in violation of this section may bring a civil action against the government entity and the court may award the following relief:

(1) $1,000 per violation or actual damages, whichever is greater;

(2) punitive damages consistent with section 549.191;

(3) injunctive or declaratory relief;

(4) reasonable attorney fees and costs to a prevailing plaintiff; and

(5) any other relief the court deems necessary.

(c) An action filed pursuant to this section may be commenced (1) in the county in which the individual alleging damage or seeking relief resides, or (2) in the county wherein the political subdivision exists or, in the case of the state, any county.

ARTICLE 14

CROSSOVER GRANT TIME EXTENSION

Section 1. Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended by Laws 2023, chapter 69, section 12, Laws 2024, chapter 123, article 1, section 11, Laws 2024, chapter 123, article 9, section 3, and Laws 2025, chapter 35, article 2, section 24, is amended to read:

Subd. 8. **Office of Justice Programs**	94,758,000	80,434,000
Appropriations by Fund		
General	94,662,000	80,338,000

State Government		
Special Revenue	96,000	96,000

(a) **Domestic and Sexual Violence Housing**

$1,500,000 each year is to establish a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium to long term transitional housing for survivors of domestic and sexual violence with supportive services. The base for this appropriation is $1,000,000 beginning in fiscal year 2026.

(b) **Federal Victims of Crime Funding Gap**

$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

(c) **Office for Missing and Murdered Black Women and Girls**

$1,248,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered Black Women and Girls.

(d) **Increased Staffing**

$667,000 the first year and $1,334,000 the second year are to increase staffing in the Office of Justice Programs for grant monitoring and compliance; provide training and technical assistance to grantees and potential grantees; conduct community outreach and engagement to improve the experiences and outcomes of applicants, grant recipients, and crime victims throughout Minnesota; expand the Minnesota Statistical Analysis Center; and increase

staffing for the crime victim reimbursement program and the Crime Victim Justice Unit.

(e) **Office of Restorative Practices**

$500,000 each year is to establish and maintain the Office of Restorative Practices.

(f) **Crossover and Dual-Status Youth Model Grants**

$1,000,000 each year is to provide grants to local units of government to initiate or expand crossover youth practices model and dual-status youth programs that provide services for youth who are involved with or at risk of becoming involved with both the child welfare and juvenile justice systems, in accordance with the Robert F. Kennedy National Resource Center for Juvenile Justice model. This is a onetime appropriation. This appropriation is available until December 15, 2026.

(g) **Restorative Practices Initiatives Grants**

$4,000,000 each year is for grants to establish and support restorative practices initiatives pursuant to Minnesota Statutes, section 299A.95, subdivision 6, and for a restitution grant program under Minnesota Statutes, section 299A.955. This appropriation is available until June 30, 2026. The base for this appropriation is $2,500,000 beginning in fiscal year 2026.

(h) **Ramsey County Youth Treatment Homes Acquisition and Betterment**

$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are licensed by the Department of Human Services, that are culturally specific, that are community-based, and that can be secured. These residential spaces must provide intensive treatment and

intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court. This appropriation is available through June 30, 2027.

(i) **Ramsey County Violence Prevention**

$5,000,000 the first year is for a grant to Ramsey County to award grants to develop new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to create family support groups and resources to support families during the time a young person is placed out of home following a juvenile delinquency adjudication and support the family through the period of postplacement reentry; create community-based respite options for conflict or crisis de-escalation to prevent incarceration or further systems involvement for families; or establish additional meaningful employment opportunities for systems-involved youth. This appropriation is available through June 30, 2027.

(j) **Office for Missing and Murdered Indigenous Relatives**

$274,000 each year is for increased staff and operating costs of the Office for Missing and Murdered Indigenous Relatives, the Missing and Murdered Indigenous Relatives Advisory Board, and the Gaagige-Mikwendaagoziwag reward advisory group.

(k) **Youth Intervention Programs**

$3,525,000 the first year and $3,526,000 the second year are for youth intervention programs under Minnesota Statutes, section 299A.73. The base for this appropriation is $3,526,000 in fiscal year 2026 and $3,525,000 in fiscal year 2027.

(l) **Community Crime Intervention and Prevention Grants**

$750,000 each year is for community crime intervention and prevention program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

(m) **Resources for Victims of Crime**

$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

(n) **Prosecutor Training**

$100,000 each year is for a grant to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. All training funded with grant proceeds must contain blocks of instruction on racial disparities in the criminal justice system, collateral consequences to criminal convictions, and trauma-informed responses to victims. This is a onetime appropriation.

The Minnesota County Attorneys Association must report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the training provided with grant proceeds, including a description of each training and the number of prosecutors and law enforcement officers who received training. The report is due by February 15, 2025. The report may include trainings scheduled to be completed after the date of submission with an estimate of expected participants.

(o) **Minnesota Heals**

$500,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(p) **Sexual Assault Exam Costs**

$3,967,000 the first year and $3,767,000 the second year are to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35, and for costs to administer the program. The base for this appropriation is $3,771,000 in fiscal year 2026 and $3,776,000 in fiscal year 2027.

(q) **First Responder Mental Health Curriculum**

$75,000 each year is for a grant to the Adler graduate school. The grantee must use the grant to develop a curriculum for a 24-week certificate to train licensed therapists to understand the nuances, culture, and stressors of the work environments of first responders to allow those therapists to provide effective treatment to first responders in distress. The grantee must collaborate with first responders who are familiar with the psychological, cultural, and professional issues of their field to develop the curriculum and promote it upon completion.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(r) **Pathways to Policing**

$400,000 each year is for reimbursement grants to state and local law enforcement

agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

(s) **Direct Assistance to Crime Victim Survivors**

$5,000,000 each year is to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

(t) **Racially Diverse Youth**

$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, $125,000 each year is to address this issue in the Rochester area and $125,000 each year is to address this issue in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services

to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

(u) **Violence Prevention Project Research Center**

$500,000 each year is for a grant to the Violence Prevention Project Research Center, operating as a 501(c)(3) organization, for research focused on reducing violence in society that uses data and analysis to improve criminal justice-related policy and practice in Minnesota. Research must place an emphasis on issues related to deaths and injuries involving firearms. This is a onetime appropriation.

Beginning January 15, 2025, the Violence Prevention Project Research Center must submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on its work and findings. The report must include a description of the data reviewed, an analysis of that data, and recommendations to improve criminal justice-related policy and practice in Minnesota with specific recommendations to address deaths and injuries involving firearms.

(v) **Report on Approaches to Address Illicit Drug Use in Minnesota**

$118,000 each year is to enter into an agreement with Rise Research LLC for a study and set of reports on illicit drug use in Minnesota describing current responses to that use, reviewing alternative approaches utilized in other jurisdictions, and making policy and funding recommendations for a holistic and effective response to illicit drug

use and the illicit drug trade. The agreement must establish a budget and schedule with clear deliverables. This appropriation is onetime.

The study must include a review of current policies, practices, and funding; identification of alternative approaches utilized effectively in other jurisdictions; and policy and funding recommendations for a response to illicit drug use and the illicit drug trade that reduces and, where possible, prevents harm and expands individual and community health, safety, and autonomy. Recommendations must consider impacts on public safety, racial equity, accessibility of health and ancillary supportive social services, and the intersections between drug policy and mental health, housing and homelessness, overdose and infectious disease, child welfare, and employment.

Rise Research may subcontract and coordinate with other organizations or individuals to conduct research, provide analysis, and prepare the reports required by this section.

Rise Research shall submit reports to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy, human services finance and policy, health finance and policy, and judiciary finance and policy. Rise Research shall submit an initial report by February 15, 2024, and a final report by March 1, 2025.

(w) **Legal Representation for Children**

$150,000 each year is for a grant to an organization that provides legal representation for children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer

attorney time, in cash, or a combination of the two. These appropriations are in addition to any other appropriations for the legal representation of children. This appropriation is onetime.

(x) **Pretrial Release Study and Report**

$250,000 each year are for a grant to the Minnesota Justice Research Center to study and report on pretrial release practices in Minnesota and other jurisdictions, including but not limited to the use of bail as a condition of pretrial release. This appropriation is onetime.

(y) **Intensive Comprehensive Peace Officer Education and Training Program**

$5,000,000 the first year is to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516. This appropriation is available through June 30, 2027.

(z) **Youth Services Office**

$250,000 each year is to operate the Youth Services Office.

ARTICLE 15

DOMESTIC ABUSE VICTIMS; RELEASE FROM SHARED WIRELESS PLANS

Section 1. 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; and

(16) if requested by the petitioner, issue a separate order under section 518B.03.

(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), 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.

(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) 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. 2. **[518B.03] TRANSFER OR RELEASE OF DOMESTIC ABUSE VICTIMS FROM SHARED WIRELESS PLANS.**

Subdivision 1. **Application.** The remedy in this section applies if the respondent and petitioner or a protected party subject to an order for protection under section 518B.01 share a wireless plan and the respondent is the account holder.

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

(b) "Wireless telecommunications service" has the same meaning as "commercial mobile radio service" as defined in Code of Federal Regulations, title 47, section 20.3.

(c) "Wireless telecommunications service provider" means a provider of wireless telecommunications service.

Subd. 3. **Court order; account transfer or release.** (a) If the petitioner is the protected party named in an order for protection granted under this chapter, a court may issue an order requiring a wireless telecommunications service provider, without charge, penalty, or fee, to:

(1) transfer the billing authority and all rights to the wireless telephone number or numbers of a shared wireless plan to the petitioner; or

(2) remove or release the petitioner from a shared wireless plan and assign a substitute telephone number or numbers.

(b) If the petitioner is not the protected party named in an order for protection granted under this chapter, a court may issue an order requiring a wireless telecommunications service provider, without charge, penalty, or fee, to:

(1) transfer the billing authority and rights to the wireless telephone number or numbers of a shared wireless plan:

(i) if the protected party is a minor, to a parent or legal guardian of the minor other than the respondent; or

(ii) if the protected party is not a minor, to another person who shall serve as the account holder with the protected party's approval; or

(2) remove or release the protected party from a shared wireless plan and assign a substitute telephone number or numbers and:

(i) if the protected party is a minor, order the parent or legal guardian of the minor, other than the respondent, to be the account holder for the substitute telephone number or numbers; or

(ii) if the protected party is not a minor, order another person, with the protected party's approval, to be the account holder for the substitute telephone number or numbers.

(c) At a protected party's request, the court may order a wireless telecommunications service provider to transfer without charge, penalty, or fee any and all devices associated with the petitioner or protected party's phone number to a substitute telephone number or numbers.

Subd. 4. **Separate order; content.** (a) The order issued pursuant to subdivision 3 must be a separate order from one issued under section 518B.01 that is directed to the wireless telecommunications service provider, but may be addressed in the same proceeding for an order under section 518B.01 or in a separate proceeding after an order under section 518B.01 is issued.

(b) The order shall list the name and billing telephone number of the account holder, the name of the person to whom the telephone number or numbers are to be transferred, and each telephone number to be transferred.

Subd. 5. **Filing fee.** The filing fees for an order under this section are waived.

Subd. 6. **Hearing.** A hearing for an order under this section is not required unless the court declines to issue the requested relief or the petitioner requests a hearing. A hearing may be held concurrently with a hearing under section 518B.01 upon the petitioner's request and if the court deems it appropriate.

Subd. 7. **Deadline to transfer.** Upon receipt of an order issued under this section, a wireless telecommunications service provider must abide by the terms of the order by the end of the following billing cycle.

Subd. 8. **Confidentiality.** A wireless telecommunications service provider must treat an order and any supporting information received under this section as confidential and must not disclose the order or the information, except to the extent necessary to comply with the order.

Subd. 9. **Unpaid balance.** (a) A person who is the account holder before an order is issued under this section remains liable for an unpaid balance incurred before an account is transferred pursuant to an order issued under this section.

(b) A wireless telecommunications service provider must provide the petitioner or protected party with a partitioned telephone line and additional time to pay off the outstanding balance.

Subd. 10. **Immunity.** A cause of action shall not lie against a wireless telecommunications service provider or its officers, employees, or agents for the actions taken that are related to the transfer of the billing authority and rights to the wireless telephone number or numbers in accordance with the terms of a court order issued pursuant to this section.

ARTICLE 16

HARASSMENT RESTRAINING ORDERS

Section 1. Minnesota Statutes 2024, section 609.748, is amended by adding a subdivision to read:

Subd. 5d. **Notice to petitioner.** Upon a petitioner's request, before a sheriff, law enforcement officer, or other peace officer serves a respondent with a temporary restraining order or restraining order issued under this section, the sheriff or officer must make reasonable efforts to notify the petitioner at least 24 hours before service that the respondent will be served with the order. For purposes of this subdivision, reasonable efforts include but are not limited to texting, calling, or emailing the petitioner if the petitioner's contact information is available to the sheriff, law enforcement officer, or peace officer.

ARTICLE 17

IDENTITY THEFT; FINANCIAL CRIMES

Section 1. Minnesota Statutes 2025 Supplement, section 299C.061, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The Financial Crimes and Fraud Section shall:

(1) review notices and reports of insurance fraud and related crimes submitted by authorized insurers, their employees, and agents or producers pursuant to sections 60A.951 to 60A.956;

(2) initiate inquiries and conduct investigations when the Section has reason to believe that any of the following offenses have been or are being committed:

(i) fraud involving state-funded or administered programs or services in subdivision 1, paragraph (b);

(ii) insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4, and 609.611, and support of those activities;

(iii) wage theft and related crimes; and

(iv) any other financial crimes; and

(3) operate the automobile theft prevention program under section 65B.84.

(b) For the purpose of investigating financial crimes and fraud, including but not limited to fraud involving state funded or administered programs or services as defined in subdivision 1, paragraph (b), and insurance fraud as defined in section 609.611, the superintendent of the Bureau of Criminal Apprehension may subpoena books, papers, correspondence, memoranda, agreements, or other documents or records that the superintendent considers relevant or material to the investigation. A subpoena issued under this subdivision must state that the person to whom the subpoena is directed must not disclose that the subpoena was issued or that the requested records have been given to law enforcement personnel except:

(1) insofar as the disclosure is necessary to find and disclose the records; or

(2) pursuant to a court order.

(c) The commissioner must report crimes related to insurance fraud disclosed by the Department of Commerce's investigations of civil insurance fraud to the Bureau of Criminal Apprehension.

Sec. 2. Minnesota Statutes 2024, section 609.527, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them in this subdivision.

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "False pretense" means any false, fictitious, misleading, or fraudulent information or pretense or pretext depicting or including or deceptively similar to the name, logo, website address, email address, postal address, telephone number, or any other identifying information of a for-profit or not-for-profit business or organization or of a government agency, to which the user has no legitimate claim of right.

(d) "Financial institution" has the meaning given in section 13A.01, subdivision 2.

(e) "Identity" means any name, voice or likeness, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual or entity, including any of the following:

(1) ~~a~~ name, Social Security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) forged digital likeness, meaning a visual representation of an actual and identifiable individual, or an audio recording of an actual identifiable individual's voice that:

(i) has been digitally created, adapted, altered, or modified in an attempt to be indistinguishable from a genuine visual representation or audio recording of the individual;

(ii) misrepresents the appearance, speech, or conduct of the individual; and

(iii) is likely to deceive a reasonable person into believing that the visual representation or audio recording is genuine.

~~(2)~~ (3) unique electronic identification number, address, account number, or routing code; or

~~(3)~~ (4) telecommunication identification information or access device.

(f) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

(g) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

(h) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any nonfelony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any nonfelony violation of a similar law of another state or the United States.

(i) "Scanning device" means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on a computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card.

(j) "Reencoder" means an electronic device that places encoded information from the computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card, onto the computer chip or magnetic strip or stripe of a different payment card, driver's license, or state-issued identification card, or any electronic medium that allows an authorized transaction to occur.

(k) "Payment card" means a credit card, charge card, debit card, or any other card that:

(1) is issued to an authorized card user; and

(2) allows the user to obtain, purchase, or receive credit, money, a good, a service, or anything of value.

Sec. 3. Minnesota Statutes 2025 Supplement, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and 609.3458 may be found or made at any time after the commission of the offense.

(f) Indictments or complaints for a violation of section 609.561 shall be found or made and filed in the proper court within ten years after the commission of the offense.

(g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

(h) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(j) Indictments or complaints for violation of sections 609.562 and 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(k) Indictments or complaints for violation of section 609.746 shall be found or made and filed in the proper court within the later of three years after the commission of the offense or three years after the offense was reported to law enforcement authorities.

(l) The statute of limitations for criminal offenses defined or referenced in section 80A.75; 508.80; 609.445; 609.465; 609.52, subdivision 2, paragraph (a), clause (4); 609.53; or 609.645, shall not begin to run until the victim or a law enforcement agency is aware of the fraud, but in no event may the prosecution be commenced later than seven years after the act has occurred.

~~(l)~~ (m) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(m)~~ (n) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(n)~~ (o) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(o)~~ (p) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

ARTICLE 18

AGE DECEPTION

Section 1. Minnesota Statutes 2024, section 244.10, subdivision 5a, is amended to read:

Subd. 5a. **Aggravating factors.** (a) As used in this section, "aggravating factors" include, but are not limited to, situations where:

(1) the victim was particularly vulnerable due to age, infirmity, or reduced physical or mental capacity, which was known or should have been known to the offender;

(2) the victim was treated with particular cruelty for which the offender should be held responsible;

(3) the current conviction is for a criminal sexual conduct offense or an offense in which the victim was otherwise injured and there is a prior felony conviction for a criminal sexual conduct offense or an offense in which the victim was otherwise injured;

(4) the offense was a major economic offense, identified as an illegal act or series of illegal acts committed by other than physical means and by concealment or guile to obtain money or property, to avoid payment or loss of money or property, or to obtain business or professional advantage. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved multiple victims or multiple incidents per victim;

(ii) the offense involved an attempted or actual monetary loss substantially greater than the usual offense or substantially greater than the minimum loss specified in the statutes;

(iii) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time;

(iv) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships; or

(v) the offender had been involved in other conduct similar to the current offense as evidenced by the findings of civil or administrative law proceedings or the imposition of professional sanctions;

(5) the offense was a major controlled substance offense, identified as an offense or series of offenses related to trafficking in controlled substances under circumstances more onerous than the usual offense. The presence of two or more of the circumstances listed below are aggravating factors with respect to the offense:

(i) the offense involved at least three separate transactions in which controlled substances were sold, transferred, or possessed with intent to do so;

(ii) the offense involved an attempted or actual sale or transfer of controlled substances in quantities substantially larger than for personal use;

(iii) the offense involved the manufacture of controlled substances for use by other parties;

(iv) the offender knowingly possessed a firearm during the commission of the offense;

(v) the circumstances of the offense reveal the offender to have occupied a high position in the drug distribution hierarchy;

(vi) the offense involved a high degree of sophistication or planning or occurred over a lengthy period of time or involved a broad geographic area of disbursement; or

(vii) the offender used the offender's position or status to facilitate the commission of the offense, including positions of trust, confidence, or fiduciary relationships;

(6) the offender committed, for hire, a crime against the person;

(7) the offender is sentenced according to section 609.3455, subdivision 3a;

(8) the offender is a dangerous offender who committed a third violent crime, as described in section 609.1095, subdivision 2;

(9) the offender is a career offender as described in section 609.1095, subdivision 4;

(10) the offender committed the crime as part of a group of three or more persons who all actively participated in the crime;

(11) the offender intentionally selected the victim or the property against which the offense was committed, in whole or in part, because of the victim's, the property owner's, or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin;

(12) the offender used another's identity without authorization to commit a crime. This aggravating factor may not be used when the use of another's identity is an element of the offense;

(13) the offense was committed in the presence of a child; ~~and~~

(14) an adult offender intentionally deceived a minor victim into believing the offender was also a minor in order to facilitate the commission of the offense; and

~~(14)~~ (15) the offense was committed in a location in which the victim had an expectation of privacy.

(b) Notwithstanding section 609.04 or 609.035, or other law to the contrary, when a court sentences an offender for a felony conviction, the court may order an aggravated sentence beyond the range specified in the sentencing guidelines grid based on any aggravating factor arising from the same course of conduct.

(c) Nothing in this section limits a court from ordering an aggravated sentence based on an aggravating factor not described in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 2. **[609.099] DECEPTION REGARDING AGE AS SENTENCING FACTOR.**

When determining an appropriate sentence for a crime, a judge may consider as a relevant factor whether an adult offender intentionally deceived a minor victim into believing the offender was also a minor in order to facilitate the commission of the crime.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

ARTICLE 19

BACKGROUND CHECKS

Section 1. Minnesota Statutes 2025 Supplement, section 299C.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Federal tax information" means federal tax returns and return information or information derived or created from federal tax returns, in possession of or control by the requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of the Internal Revenue Code.

(c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that provides guidance and requirements for the protection and confidentiality of federal tax information as required in section 6103(p)(4) of the Internal Revenue Code.

(d) "National criminal history record information" means the Federal Bureau of Investigation identification records as defined in Code of Federal Regulations, title 28, section 20.3(d).

(e) "Requesting agency" means the Department of Revenue; Department of Employment and Economic Development; Department of Human Services; Department of Children, Youth, and Families; board of directors of MNsure; Department of Information Technology Services; attorney general; Office of the Legislative Auditor; and counties.

ARTICLE 20

EXPEDITED EVICTIONS

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.

ARTICLE 21

GIFT CARD FRAUD

Section 1. Minnesota Statutes 2024, section 609.522, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Closed-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation by a consumer at a single merchant or group of affiliated merchants.

(c) "Gift card" means a physical or digital closed-loop gift card or open-loop gift card that is either activated or not activated.

(d) "Open-loop gift card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment, and is redeemable upon presentation at multiple unaffiliated merchants for goods or services within the payment card network.

~~(b)~~ (e) "Pattern of retail theft" means acts committed or directed by the defendant on at least two separate occasions in the preceding six months that would constitute a violation of:

(1) section 609.52, subdivision 2, paragraph (a), clause (1), (3), or (4), involving retail merchandise;

(2) section 609.521;

(3) section 609.53, subdivision 1, involving retail merchandise;

(4) section 609.582 when the building was a retail establishment; or

(5) section 609.59.

~~(c)~~ (f) "Retail establishment" means the building where a retailer sells retail merchandise.

~~(d)~~ (g) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer. Tangible property includes gift cards.

~~(e)~~ (h) "Retail theft enterprise" means a group of two or more individuals with a shared goal involving the unauthorized removal of retail merchandise from a retailer. Retail theft enterprise does not require the membership of the enterprise to remain the same or that the same individuals participate in each offense committed by the enterprise.

~~(f)~~ (i) "Retailer" means a person or entity that sells retail merchandise.

~~(g)~~ (j) "Value" means:

(1) in the case of property, the retail market value at the time of the theft or, if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft.; or

(2) in the case of a gift card, the greatest amount of economic loss the owner of the property might reasonably suffer, including but not limited to the full monetary face value or potential value for variable-load gift cards.

Sec. 2. Minnesota Statutes 2024, section 609.522, subdivision 2, is amended to read:

Subd. 2. **Organized retail theft.** A person is guilty of organized retail theft if:

(1) the person is employed by or associated with a retail theft enterprise;

(2) the person has previously engaged in a pattern of retail theft and intentionally commits an act or directs another member of the retail theft enterprise to commit an act involving retail merchandise that would constitute a violation of:

(i) section 609.52, subdivision 2, paragraph (a), clause (1), (3), or (4); or

(ii) section 609.53, subdivision 1; and

(3) the person or another member of the retail theft enterprise:

(i) resells or intends to resell the stolen retail merchandise;

(ii) advertises or displays any item of the stolen retail merchandise for sale; ~~or~~

(iii) returns any item of the stolen retail merchandise to a retailer for anything of value.; or

(iv) tampers with the stolen retail merchandise for the purpose of obtaining anything of value from the retailer or any retail customer.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

ARTICLE 22

CONTRACT FOR DEED INTEREST TERMINATION

Section 1. **[559.206] ACTION TO TERMINATE AN INTEREST IN A CONTRACT FOR DEED BY A VICTIM OF DOMESTIC VIOLENCE.**

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

(b) "Contract for deed" has the meaning given in section 507.235, subdivision 1a.

(c) "Criminal sexual assault" means conduct described in sections 609.342 to 609.3451.

(d) "Domestic abuse" has the meaning given under section 518B.01, subdivision 2.

(e) "Harassment" means the conduct described under sections 609.748, subdivision 1, paragraph (a), clause (1), and 609.749, subdivision 2, paragraph (c).

(f) "Qualified third party" means a person, acting in an official capacity, who has provided professional services to a petitioner or a child who resides with the petitioner and is:

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

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

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

(g) "Qualifying document" means:

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

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

(3) a writing produced and signed by a court official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known;

(4) a writing produced and signed by a city, county, state, or Tribal law enforcement official, acting in an official capacity, documenting that the petitioner, or a child who resides with the petitioner, is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment and naming the perpetrator, if known; or

(5) a sworn written certification.

(h) "Petitioner" means a person who has a partial interest as a vendee in a contract for deed for the purchase of residential real property with the respondent, is seeking to have the respondent's interest terminated, and:

(1) is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment; or

(2) resides with a child who is the victim of domestic abuse, criminal sexual conduct, sexual extortion, or harassment.

(i) "Respondent" means a person who has a partial interest as a vendee with the petitioner in a contract for deed for the purchase of residential real property and whose interest in the contract for deed is the subject of a petition under this section.

(j) "Sexual extortion" means the conduct described under section 609.3458.

(k) "Sworn written certification" means a statement by a qualified third party, in the following form:

"CERTIFICATION BY QUALIFIED THIRD PARTY

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

1. I am a licensed health care professional, domestic abuse advocate, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), who has provided professional services to ..... (name of petitioner) or a child who resides with the petitioner.

2. I have a reasonable basis to believe ..... (name of petitioner) or a child who resides with the petitioner is a victim of domestic abuse, criminal sexual assault, sexual extortion, or harassment by ..... (name of respondent).

3. I understand that the person listed above may use this document as a basis for seeking a court order terminating the interest in the contract for deed of the respondent in a court action initiated by the petitioner, pursuant to Minnesota Statutes, section 559.206.

I attest that the foregoing is true and correct.

(Printed name of qualified third party)

(Signature of qualified third party)

(Business address and business telephone number)

(Date)".

(l) "Vendee" means a person or entity who has entered into a contract for deed to purchase residential real property under a contract for deed.

(m) "Vendor" means a person or entity selling residential real property under a contract for deed. Vendor includes the vendor's successor and assignees.

Subd. 2. **Petition to terminate respondent's interest.** (a) A petitioner who is unmarried may petition the court for an order to terminate the respondent's interest in the contract for deed. The petition must allege that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has ceased to physically occupy the property that is subject to the contract for deed for the six consecutive months preceding the service of the summons; and

(3) the petitioner has made all payments due on the contract for deed during the six consecutive months preceding the service of the summons.

(b) The petitioner must serve a summons that includes the petition and the legal description of the property subject to the contract for deed on:

(1) the respondent;

(2) the current vendor;

(3) state and federal tax lienholders; and

(4) any judgment lienholders.

(c) The summons must be served in the manner provided to commence a civil lawsuit under Minnesota Rules of Civil Procedure. The respondent shall have 21 days after service of the summons to answer.

(d) A notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in the county in which the real property that is the subject of the contract for deed is located.

Subd. 3. **Content of summons.** In addition to the requirements set forth under subdivision 2, the summons must contain the following information:

(1) the date the contract for deed was executed;

(2) the address of the property that is the subject of the contract for deed;

(3) the name of the vendor;

(4) the names of the vendees;

(5) the date of recordation of the contract for deed, the document number, and the county in which it was recorded;

(6) the case name;

(7) the court file number; and

(8) the judicial district in which the property is located.

Subd. 4. **Jurisdiction.** (a) Except as provided in paragraph (b), the district court has jurisdiction over petitions seeking termination of the interest of the respondent.

(b) Unless otherwise provided by applicable law, nothing in this section infringes upon the jurisdiction of a Tribal court in the matter of a petition to terminate the interest of a respondent in a contract for deed where at least one of the vendees is a member or descendent of a member of the Tribe, the vendor is a member or a descendent of a member of the Tribe, or the property that is the subject of the contract for deed is within the boundaries of Tribal land.

Subd. 5. **Procedure.** (a) If the respondent, the vendor, or any lienholder has not filed an answer within 21 days after service has been made, the court must grant the petition.

(b) If an answer is filed and the petition is contested, the court must hold a hearing. The court must grant the petition if the petitioner demonstrates by a preponderance of the evidence that:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has made all amounts required to be paid under the contract for deed during the six consecutive months preceding the service of the summons.

(c) A petitioner demonstrates that the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent if the petitioner:

(1) presents a qualifying document; or

(2) if the respondent has been convicted of or received a stay of adjudication for a violation of section 518B.01, 609.27, 609.282, 609.322, 609.342 to 609.3451, 609.3458, 609.527, or 609.749 where the victim was the petitioner or a child who resides with the petitioner.

Subd. 6. **Defense; prejudice to the vendor.** A vendor may contest a petition filed under this section by demonstrating by a preponderance of the evidence that granting the petition to terminate the respondent's interest will prejudice the vendor. A court must not grant the petition if the court finds that the vendor will be prejudiced by a termination of the respondent's interest.

Subd. 7. **Order.** If the court grants the petition, the court shall issue an order terminating the interest of the respondent and finding that the petitioner has met the burden of showing:

(1) the petitioner or a child who resides with the petitioner has been subjected to domestic abuse, criminal sexual assault, sexual extortion, or harassment by the respondent;

(2) the respondent has not physically occupied the property that is subject to the contract for deed for the six consecutive months preceding the commencement of the action under this section; and

(3) the petitioner has made all amounts required to be paid under the contract during the six consecutive months preceding the service of the summons.

Subd. 8. **Contract for deed termination judgment.** (a) A court granting the requested relief shall direct the petitioner or the petitioner's legal counsel to prepare and submit to the court a proposed contract for deed termination judgment, which must provide that the respondent's interest is terminated and of no further force or effect. Upon approval by the court and filing of the contract for deed termination judgment with the court administrator, the court administrator must provide to any party upon request certified copies of the contract for deed termination judgment. The contract for deed termination judgment must contain the following information:

(1) the date of execution of the contract for deed;

(2) the date of recordation of the contract for deed and the county in which it was recorded;

(3) the date of entry of the judgment terminating the respondent's interest in the contract for deed;

(4) the names of the parties' attorneys or if any or all appeared pro se;

(5) whether and when the summons and petition were served upon the respondent and vendor as required under the Minnesota Rules of Civil Procedure;

(6) the name of the judge who signed the order;

(7) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial;

(8) any former name of either party;

(9) the address and legal description of the property that is the subject of the contract for deed;

(10) if recorded, the document number of the contract for deed;

(11) if the property is registered land, the certificate of title number of the real property;

(12) the name or names of the persons awarded an interest in the real property and a description of the interest awarded;

(13) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree;

(14) the signature of the judge and date signed; and

(15) the signature of the court administrator and the date signed.

(b) Notwithstanding any provision contained in the contract for deed, a respondent whose interest has been terminated has no interest as a vendee in the contract for deed.

(c) The petitioner must record the contract for deed termination judgment with the county recorder or the registrar of titles, as applicable.

(d) A contract for deed termination judgment is binding on the interest of the vendor and all vendees under the contract for deed.

Subd. 9. **Effect of termination.** (a) The termination of the respondent's interest in the contract for deed does not terminate or invalidate any other provisions of the contract for deed. The respondent's interest that has been terminated under this section shall be transferred to the petitioner by operation of law.

(b) A respondent whose interest has been terminated under this section has no further liability on the contract for deed and a vendor shall have no cause of action against the terminated respondent for damages or performance.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date.

Sec. 2. Minnesota Statutes 2024, section 559.21, is amended by adding a subdivision to read:

Subd. 10. **Applicability to vendee whose interest was terminated under section 559.206.** Nothing in this section shall apply to a vendee whose interest was terminated under section 559.206.

EFFECTIVE DATE. This section is effective July 1, 2026, and applies to contracts for deed entered into on or after that date.

ARTICLE 23

SEALED BATTERIES

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 accordingly

The motion prevailed. So the amendment was adopted.

Senator Holmstrom moved to amend S.F. No. 4760 as follows (A-4):

Page 66, after line 27, insert:

"ARTICLE 10

COMMUNITY SUPERVISION WORKING GROUP

Section 1. **COMMUNITY SUPERVISION WORKING GROUP.**

Subdivision 1. **Establishment.** A working group is established to study and make recommendations on statutory changes needed to provide clarity regarding the roles, responsibilities, and obligations of supervision delivery systems when a county transitions between state-operated and county-operated community supervision systems.

Subd. 2. **Membership.** The working group shall consist of the following members:

(1) four representatives appointed by the Association of Minnesota Counties, at least two of whom must be county administrators from counties that have experienced a transition between supervision delivery systems; and

(2) four representatives appointed by the commissioner of corrections, with expertise in human resources, finance, compensation plans, and agency administration.

Subd. 3. **Meetings.** The commissioner of corrections shall convene the first meeting of the working group no later than August 1, 2026, and shall provide meeting space and administrative assistance as necessary for the working group to conduct its work. The working group shall meet sufficiently enough to accomplish the tasks identified in this section.

Subd. 4. **Duties.** The working group shall study and develop recommendations on the following:

(1) the respective roles, responsibilities, and obligations of the sending and receiving entities when a transition occurs;

(2) the treatment of employee compensation, including but not limited to salary placement, benefits, and accrued leave;

(3) the allocation of financial responsibility between entities, including timing and method of payment for employee-related costs;

(4) differences between state and county employment systems, including compensation structures, leave systems, and benefit administration, and how those differences affect transitions;

(5) operations and administrative considerations, including timelines, fiscal year start dates, staffing transitions, data transfers, training needs, policy development, and continuity of supervision services;

(6) budgetary and fiscal impacts associated with transitions, including impacts on resources and positions shared between counties;

(7) any statutory ambiguities or gaps that create uncertainty or disputes during transitions; and

(8) any other issues identified by the working group that are necessary to ensure clear, consistent, and fair transition processes.

Subd. 5. **Consultation.** In carrying out its duties, the working group must consult with:

(1) the Minnesota Association of Community Corrections Act Counties;

(2) the Minnesota Association of Community Probation Officers;

(3) the Department of Corrections Field Services director and the director's leadership team; and

(4) labor organizations representing affected employees.

Subd. 6. **Report.** By December 15, 2026, the working group shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and judiciary policy and finance. The report must include recommended statutory changes to address the issues identified in subdivision 4.

Subd. 7. **Expiration.** The working group expires upon submission of the report required under subdivision 6."

The motion prevailed. So the amendment was adopted.

Senator Holmstrom moved to amend S.F. No. 4760 as follows (A-7):

Page 66, after line 27, insert:

"ARTICLE 10

DOXXING

Section 1. Minnesota Statutes 2024, section 609.5151, is amended to read:

609.5151 DISSEMINATION OF PERSONAL INFORMATION ~~ABOUT LAW ENFORCEMENT~~ PROHIBITED; PENALTY.

Subdivision 1. **Definitions.** As used in this section:

(1) "family or household member" has the meaning given in section 518B.01, subdivision 2;

(2) "law enforcement official" means both peace officers as defined in section 626.84, subdivision 1, and persons employed by a law enforcement agency; and

(3) "personal information" means a home telephone number, personal cell number, personal email address, name of the ~~official's~~ person's minor child, photographs of the ~~official's~~ person's minor child, home address, directions to a home, or photographs of a home.

Subd. 2. **Crime described.** ~~(a)~~ It is a ~~misdemeanor for a person~~ crime to knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about ~~a law enforcement official or an official's~~ another person or a family or household member of that person, if:

(1) the public availability of information poses an imminent and serious threat to the ~~official's~~ other person's safety or the safety of ~~an official's~~ that person's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of the imminent and serious threat.

Subd. 3. **Penalty.** (a) A violation of subdivision 2 is a misdemeanor unless the victim is a law enforcement official or a family or household member of a law enforcement official, in which case it is a gross misdemeanor.

(b) A ~~person is guilty of a gross misdemeanor if the person violates paragraph (a) and a law enforcement official or an official's family or household member~~ violation of subdivision 2 is a felony punishable by imprisonment for not more than two years or to the payment of a fine of not more than $4,000, or both, if the victim or the victim's family or household member suffers great bodily harm or death as a result of the violation.

(c) A person who is convicted of a second or subsequent violation of this section is guilty of a ~~gross misdemeanor~~ felony punishable by imprisonment for not more than two years or to the payment of a fine of not more than $4,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Hauschild, McEwen, Murphy, Port, and Rest.

The motion did not prevail. So the amendment was not adopted.

Senator Marty moved to amend S.F. No. 4760 as follows (A11):

Page 66, after line 27, insert:

"ARTICLE 10

CRIMES OF VIOLENCE

Section 1. Minnesota Statutes 2024, section 624.712, subdivision 5, is amended to read:

Subd. 5. **Crime of violence.** "Crime of violence" means: felony convictions of the following offenses: 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); 609.215 (aiding suicide and aiding attempted suicide); 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); 609.2247 (domestic assault by strangulation); 609.229 (crimes committed for the benefit of a gang); 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); 609.322 (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); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.486 (commission of crime while wearing or possessing a bullet-resistant vest); 609.52 (involving theft of a firearm and theft involving the theft of a controlled substance, an explosive, or an incendiary device); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582, subdivision 1 or 2 (burglary in the first and second degrees); 609.66, subdivision 1e (drive-by shooting); 609.67 (unlawfully owning, possessing, operating a machine gun or short-barreled shotgun); 609.71 (riot); 609.713 (terroristic threats); 609.749 (harassment); and 609.855, subdivision 5 (shooting at a public transit vehicle or facility); ~~and chapter~~ chapters 152 (drugs, controlled substances); and 343 (prevention of cruelty to animals); and an attempt to commit any of these offenses.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

Amend the title accordingly

Senator Drazkowski questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Senator Drazkowski 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 33, 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 Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Hauschild, McEwen, Murphy, Port, and Rest.

Those who voted in the negative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Housley.

So the decision of the President was sustained.

The question was taken on the adoption of the Marty (A11) amendment.

The roll was called, and there were yeas 34 and nays 33, 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 Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, McEwen, Port, and Rest.

Those who voted in the negative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Housley.

The motion prevailed. So the amendment was adopted.

Senator Rarick moved to amend S.F. No. 4760 as follows (A50):

Page 66, after line 27, insert:

"ARTICLE 10

FIREWORKS

Section 1. Minnesota Statutes 2024, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner must deposit the revenues derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts in the state treasury and credit:

(1) 43.5 percent in each fiscal year to the highway user tax distribution fund;

(2) a percentage to the transportation advancement account under section 174.49 as follows:

(i) 3.5 percent in fiscal year 2024;

(ii) 4.5 percent in fiscal year 2025;

(iii) 5.5 percent in fiscal year 2026;

(iv) 7.5 percent in fiscal year 2027;

(v) 14.5 percent in fiscal year 2028;

(vi) 21.5 percent in fiscal year 2029;

(vii) 28.5 percent in fiscal year 2030;

(viii) 36.5 percent in fiscal year 2031;

(ix) 44.5 percent in fiscal year 2032; and

(x) 56.5 percent in fiscal year 2033 and thereafter; and

(3) the remainder in each fiscal year to the general fund.

For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) 81.56 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 47.5 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants;

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo; and

(6) 2.5 percent of the receipts must be deposited in the pollinator account established in section 103B.101, subdivision 19.

(i) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county

metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) 1.5 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

(k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

(l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

(1) 25 percent to the volunteer fire assistance grant account established under section 88.068;

(2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and

(3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

(m) Beginning with sales taxes remitted after June 30, 2025, the commissioner shall deposit the revenues, including penalties and interest and less refunds, derived from the taxes imposed on the sale of aerial and audible devices, in the state treasury and credit: (1) 25 percent to the volunteer fire assistance grant account in the special revenue fund for grants under section 88.067; (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and (3) the remainder to the general fund. For purposes of this section, "aerial and audible devices" has the meaning given in section 624.20, subdivision 1, paragraph (a). The commissioner shall estimate the percentage of total sales tax revenue attributable to the sale of aerial and audible devices to calculate the amount of annual revenue that should be paid to the account under this paragraph in fiscal year 2024 and each subsequent fiscal year.

~~(m)~~ (n) The revenues deposited under paragraphs (a) to ~~(l)~~ (m) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62,

subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2025.

Sec. 2. Minnesota Statutes 2024, section 624.20, subdivision 1, is amended to read:

Subdivision 1. **Regulation.** (a) As used in sections 624.20 to 624.25~~, the term "fireworks" means any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, toy cannons, and toy canes in which explosives are used, the type of balloons which require fire underneath to propel them, firecrackers, torpedoes, skyrockets, Roman candles, daygo bombs, sparklers other than those specified in paragraph (c), or other fireworks of like construction, and any fireworks containing any explosive or inflammable compound, or any tablets or other device containing any explosive substance and commonly used as fireworks.~~:

~~(b) The term "fireworks" shall not include toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used and toy pistol caps which contain less than 20/100 grains of explosive mixture.~~

~~(c) The term also does not include wire or wood sparklers of not more than 100 grams of mixture per item, other sparkling items which are nonexplosive and nonaerial and contain 75 grams or less of chemical mixture per tube or a total of 500 grams or less for multiple tubes, snakes and glow worms, smoke devices, or trick noisemakers which include paper streamers, party poppers, string poppers, snappers, and drop pops, each consisting of not more than twenty-five hundredths grains of explosive mixture. The use of items listed in this paragraph is not permitted on public property. This paragraph does not authorize the purchase of items listed in it by persons younger than 18 years of age. The age of a purchaser of items listed in this paragraph must be verified by photographic identification.~~

(1) "aerial and audible devices" means fireworks in a finished state, suitable for use by the public, listed in APA 87-1, sections 3.1.2, 3.1.3, and 3.5, and containing 75 grams or less of chemical mixture per tube for a total of 500 grams or less for multiple tubes in a device;

(2) "APA 87-1" means the American Pyrotechnics Association Standard 87-1 from the Standard for Construction and Approval for Transportation of Fireworks, Novelties, and Theatrical Pyrotechnics, 2001 Edition;

(3) "display fireworks" means firework devices in a finished state, exclusive of mere ornamentation, primarily intended for commercial displays that are designed to produce visible effects, audible effects, or both, by combustion, deflagration, or detonation. The term includes, but is not limited to, salutes containing more than 130 milligrams of explosive composition, aerial shells containing more than 40 grams of chemical composition exclusive of light charge, and other exhibition display items that exceed the limits contained in APA 87-1 for aerial and audible devices;

(4) "fireworks" means any device, other than sparkling devices, novelties, aerial and audible devices, or theatrical pyrotechnic articles that are intended to produce visible effects, audible effects, or both, by combustion, deflagration, or detonation. The term includes display fireworks;

(5) "novelties" means devices containing small amounts of pyrotechnic composition that are listed in APA 87-1, sections 3.2, 3.3, and 3.4. The term includes deregulated sparklers, snakes and glow worms, smoke devices, and trick noisemakers, including paper streamers, party poppers, string poppers, snappers, drop pops, each consisting of not more than 25/100 grains of explosive mixture; toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used; and toy pistol caps that contain less than 20/100 grains of explosive mixture; and

(6) "sparkling devices" means ground-based or handheld devices that produce a shower of sparks that are listed in APA 87-1, sections 3.1.1 and 3.5. The term includes fountains, torches, wheels, ground spinners, flitter sparklers, toy smoke devices, and sparklers.

(b) Nothing in sections 624.20 to 624.25 authorizes the possession or use of sparkling devices, novelties, or aerial and audible devices on public property, or the purchase of these items by persons younger than 18 years of age. A person selling sparkling devices, novelties, or aerial and audible devices shall verify the age of a purchaser by photographic identification. Nothing in sections 624.20 to 624.25 authorizes the use of aerial and audible devices other than during the period from 12:00 p.m. to 10:00 p.m., or one and one-half hours after sunset, whichever is later.

(c) A retail seller of sparkling devices, novelties, or aerial and audible devices may operate out of a temporary structure for no more than 45 days in a calendar year. A retail seller operating beyond 45 days in a calendar year must do so from a permanent structure.

(d) A local unit of government may impose an annual license fee for the retail sale of ~~items authorized under paragraph (c)~~ sparkling devices and aerial and audible devices. The annual license fee of each retail seller that is in the business of selling only ~~the items authorized under paragraph (c)~~ sparkling devices or aerial and audible devices, or both, may not exceed $350 for a single retail location, and the annual license of each other retail seller may not exceed $100. A local unit of government may assess a fee, not to exceed $100, to a licensee for each additional retail location that the licensee operates. A license application must be made before June 1 of each year and must require, at a minimum, the location of each retail location the licensee intends to operate. The local authority having jurisdiction shall, within 14 days after the receipt of an application for a license, either issue the license or notify the applicant of the denial of the license. A licensee must display the license issued pursuant to this paragraph at each point of sale operated by the licensee. A license issued under this paragraph expires May 31 of the year following the year of issuance. A local unit of government may not:

(1) impose any fee or charge, other than the fee authorized by this paragraph, on the wholesale or retail sale of ~~items authorized under paragraph (c)~~ sparkling devices and aerial and audible devices;

(2) except to comply with paragraph (c), prohibit or restrict the sale or display of ~~items for~~ sparkling devices, novelties, or aerial and audible devices from any permanent or temporary ~~retail sale authorized under paragraph (c)~~ structure that ~~comply~~ complies with National Fire Protection Association Standard 1124 (~~2003~~ 2006 edition); ~~or~~

(3) impose on a retail seller any financial guarantee requirements, including bonding or insurance provisions, containing restrictions or conditions not imposed on the same basis on all other business licensees; or

(4) enact any ordinance, rule, or regulation that prohibits, limits, or restricts the wholesale or retail sale of novelties.

(e) This section does not preempt a town or home rule charter or statutory city from enacting and enforcing ordinances under the city charter or chapter 365, 368, 412, or 462, that regulate the conditions of sale or use for sparkling devices, aerial and audible devices, and display fireworks.

(f) For the purposes of regulating the conditions of sale or use for aerial and audible devices, display fireworks, sparkling devices, and novelties, a county has the same authority and power granted to a statutory city by paragraph (e) and chapter 412. If a home rule charter or statutory city or town has enacted an ordinance, rule, or regulation under paragraph (e), that ordinance, rule, or regulation prevails within the city or town.

EFFECTIVE DATE. This section is effective June 1, 2025."

Amend the title accordingly

Senator Rarick moved to amend the Rarick (A50) amendment to S.F. No. 4760 as follows (A51):

Page 1, delete section 1

Page 8, line 6, delete "2025" and insert "2026"

The motion prevailed. So the amendment to the amendment was adopted.

Senator Lucero moved to amend the Rarick (A50) amendment to S.F. No. 4760 as follows (A52):

Page 1, delete "FIREWORKS" and insert "FREEDOM AND FUN ACT"

Page 8, after line 6, insert:

"Sec. 2. **FREEDOM AND FUN ACT.**

This article shall be known as the "Freedom and Fun Act"."

The question was taken on the adoption of the Lucero (A52) amendment to the Rarick (A50) amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Housley.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Fateh, McEwen, Port, and Rest.

The motion did not prevail. So the amendment to the amendment was not adopted.

Senator Latz moved that S.F. No. 4760 be laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 4282: A bill for an act relating to forecast adjustments; making forecast adjustments to prekindergarten through grade 12 education programs, human services, the Department of Children, Youth, and Families, and Metro Mobility; appropriating money; amending Laws 2025, First Special Session chapter 8, article 1, section 3, subdivisions 1, 3; Laws 2025, First Special Session chapter 10, article 1, section 28, subdivisions 2, 3, 5, 8, 10, 11, 12; article 2, section 24, subdivisions 2, 14, 15, 24; article 3, section 15, subdivisions 3, 13; article 5, section 19, subdivision 2; article 6, section 6, subdivisions 2, 7; article 7, section 11, subdivisions 2, 4, 7, 8, 9; article 8, section 18, subdivisions 3, 6; article 9, section 11, subdivisions 2, 3, 4, 6, 10; article 10, section 10, subdivisions 3, 4, 6; article 11, section 2, subdivisions 2, 4.

President Champion called Senator Klein to preside.

Senator Rasmusson moved that S.F. No. 4282 be re-referred to the Committee on Human Services.

The question was taken on the adoption of the motion.

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Housley, and Howe.

Those who voted in the negative were:

Boldon	Champion	Cwodzinski	Fateh	Gustafson
Carlson	Clark	Dibble	Frentz	Hauschild

Hawj	Kunesh	Maye Quade	Pappas	Seeberger
Hemmingsen-Jaeger	Kupec	McEwen	Pha	Westlin
Hoffman	Latz	Mohamed	Port	Wiklund
Johnson Stewart	Mann	Murphy	Putnam	Xiong
Klein	Marty	Oumou Verbeten	Rest	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Fateh, McEwen, Mohamed, Port, and Rest.

The motion did not prevail.

Senator Rasmusson moved to amend S.F. No. 4282 as follows (A-4):

Page 15, after line 25, insert:

"ARTICLE 5

HUMAN SERVICES FORECASTED PROGRAMS EXPENDITURE COMPARISON

Section 1. Minnesota Statutes 2024, section 3.972, subdivision 2a, is amended to read:

Subd. 2a. **Audits of Department of Human Services.** (a) To ensure effective legislative oversight and accountability, the legislative auditor shall give high priority to auditing the programs, services, and benefits administered by the Department of Human Services. As resources permit, the legislative auditor shall track and assess expenditures throughout the human service delivery system, from the department to the point of service delivery, and determine whether human services programs, services, and benefits are being provided cost-effectively and only to eligible individuals and organizations in compliance with applicable legal requirements.

(b) As resources permit, the legislative auditor shall audit the programs and services identified by the commissioner of human services in the commissioner's notice to the legislative auditor under section 256.01, subdivision 45, and shall determine the causes of the deviation in actual expenditures from projected expenditures. The legislative auditor may forgo an audit and accept the explanation of the deviation provided by the commissioner if the legislative auditor determines that the commissioner's explanation reasonably explains the entire deviation.

Sec. 2. Minnesota Statutes 2024, section 3.972, subdivision 2b, is amended to read:

Subd. 2b. **Audits of managed care organizations.** (a) The legislative auditor shall audit each managed care organization that contracts with the commissioner of human services to provide health care services under sections 256B.69, 256B.692, and 256L.12. The legislative auditor shall design the audits to determine if a managed care organization used the public money in compliance with federal and state laws, rules, and in accordance with provisions in the managed care organization's contract with the commissioner of human services. The legislative auditor shall determine the schedule and scope of the audit work and may contract with vendors to assist with the audits. The managed care organization must cooperate with the legislative auditor and must provide the legislative auditor with all data, documents, and other information, regardless of classification, that the legislative auditor requests to conduct an audit. The legislative auditor shall periodically report audit results and recommendations to the Legislative Audit Commission and the chairs and ranking minority

members of the legislative committees with jurisdiction over health and human services policy and finance.

(b) For purposes of this subdivision, a "managed care organization" means a demonstration provider as defined under section 256B.69, subdivision 2.

(c) As resources permit, the legislative auditor shall audit each managed care organization to determine the cause of the deviation in actual expenditures from projected expenditures for the services identified by the commissioner of human services in the commissioner's notice to the legislative auditor under section 256.01, subdivision 45. The legislative auditor may forgo an audit and accept the explanation of the deviation provided by the commissioner if the legislative auditor determines that the commissioner's explanation reasonably explains the entire deviation. For audits conducted under this paragraph, the requirements of paragraph (a) apply.

Sec. 3. Minnesota Statutes 2024, section 3.972, is amended by adding a subdivision to read:

Subd. 2e. **Audits of Department of Children, Youth, and Families.** As resources permit, the legislative auditor shall audit the programs and services identified by the commissioner of children, youth, and families in the commissioner's notice to the legislative auditor under section 142A.03, subdivision 36, and determine the causes of the deviation in actual expenditures from projected expenditures. The legislative auditor may forgo an audit and accept the explanation of the deviation provided by the commissioner if the legislative auditor determines that the commissioner's explanation reasonably explains the entire deviation.

Sec. 4. Minnesota Statutes 2024, section 16A.103, is amended by adding a subdivision to read:

Subd. 1k. **Contingent expenditure reductions.** In preparing a February forecast during the first fiscal year of a biennium under subdivision 1, notwithstanding the continuation of current law assumption under subdivision 1a, the commissioner must not include estimates of the expenditure reduction that would result beginning July 1 of the second year of the biennium (1) from actions taken by the commissioner of human services under section 256.01, subdivision 46; or (2) from actions taken by the commissioner of children, youth, and families under section 142A.03, subdivision 37. For the purposes of subsequent forecasts, the commissioner must treat actions taken by the commissioner of human services under section 256.01, subdivision 46, or by the commissioner of children, youth, and families under section 142A.03, subdivision 37, in the same manner as an act finally enacted after a February forecast.

Sec. 5. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 36. **Forecast trend analysis and notice.** (a) Beginning January 15, 2027, and by the 15th calendar day following the end of each quarter thereafter, the commissioner must provide an accounting of actual expenditures in all forecasted programs for the prior quarter, itemized by service. The commissioner must update the accounting of actual expenditures from prior quarters as necessary. The commissioner must post the quarterly actual expenditures on the department's website.

(b) With each quarterly accounting of actual expenditures, the commissioner must compare the actual expenditures by service to the forecasted expenditures from the four most recent February forecasts, after accounting for any increases attributable to changes in law that may have occurred between the February forecasts. The commissioner must post the comparison of actual expenditures

to the four most recent February forecasts on the department's website and include data visualizations of the comparisons using data visualization best practices. The commissioner must also include at least ten years of historical actual expenditures by program and by service.

(c) If in any given quarter the actual expenditures for a program or service exceed the projected spending for that program or service in the most recent February forecast by more than five percent, after accounting for any increases attributable to changes in law during intervening legislative sessions, the commissioner must note the deviation from projected spending on the department's website, provide notice of the deviation to the chairs and ranking minority members of the legislative committees with jurisdiction over the program or service, and provide notice of the deviation to the legislative auditor.

(d) For an expenditure deviation described in paragraph (c), the commissioner may include with the posted accounting of actual expenditures a narrative providing the commissioner's explanation of the deviation from the projected expenditures. The commissioner may also include the narrative in the commissioner's notice to the chairs and ranking minority members of the relevant legislative committees and in the commissioner's notice to the legislative auditor.

(e) If an accounting of actual expenditures released in January of the first fiscal year of a biennium reveals that since the most recent February forecast, after accounting for any increases attributable to changes in law during intervening legislative sessions, the actual expenditures for a program or service exceeded the projected expenditures for that program or service by more than ten percent, the commissioner must provide special notice of the deviation to the chairs and ranking minority members of the legislative committees with jurisdiction over the program or service, the chair and ranking minority member of the senate Finance Committee, the chair and ranking minority member of the house of representatives Ways and Means Committee, and the majority and minority caucus leaders of both legislative bodies. Before March 31 in a year in which the commissioner sends a special notice under this paragraph, the commissioner must provide a second special notice to the same individuals to whom the commissioner sent the first special notice. In the second special notice, the commissioner must detail the consequences that will result from the commissioner's actions under subdivision 37 in the event the legislature does not act to prevent the commissioner from taking those actions.

Sec. 6. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 37. **Contingent program and service terminations and modifications.** (a) Except as otherwise provided in this subdivision, if an accounting of actual expenditures prepared according to subdivision 36 and released in January of the first fiscal year of a biennium reveals that since the most recent February forecast the actual expenditures for a program or service, after accounting for any increases attributable to changes in law during intervening legislative sessions, exceeded the projected spending for that program or service by more than ten percent, the commissioner must terminate the program or service effective July 1 of the second year of the biennium. If the termination of the program or service requires federal approval, the commissioner must initiate the process to seek federal approval by March 31.

(b) This subdivision does not apply if a finally enacted act explicitly directs the commissioner not to take the actions required under this subdivision.

Sec. 7. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 45. **Forecast trend analysis and notice.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "demonstration provider" has the meaning given in section 256B.69, subdivision 2; and

(2) "service," when used in the context of the medical assistance program, means any service listed in section 256B.0625, any service defined in a home and community-based waiver plan, and any service available through a 1115 demonstration waiver.

(b) Beginning January 15, 2027, and by the 15th calendar day following the end of each quarter thereafter, the commissioner of human services must provide an accounting of actual expenditures in all forecasted programs for the prior quarter, itemized by service. The commissioner must include aggregate demonstration provider spending by service and merge aggregate demonstration provider spending for each service with the aggregate fee-for-service spending for the same service. The commissioner must update the accounting of actual expenditures from prior quarters as necessary. The commissioner must post the quarterly actual expenditures on the department's website.

(c) With each quarterly accounting of actual expenditures, the commissioner must compare the actual expenditures by service to the forecasted expenditures from the four most recent February forecasts, after accounting for any increases attributable to changes in law that may have occurred between the February forecasts. The commissioner must post the comparison of actual expenditures to the four most recent February forecasts on the department's website and include data visualizations of the comparisons using data visualization best practices. The commissioner must also include at least ten years of historical actual expenditures by program and by service.

(d) If in any given quarter the actual expenditures for a program or service exceed the projected spending for that program or service in the most recent February forecast by more than five percent, after accounting for any increases attributable to changes in law during intervening legislative sessions, the commissioner must note the deviation from projected spending on the department's website, provide notice of the deviation to the chairs and ranking minority members of the legislative committees with jurisdiction over the program or service, and provide notice of the deviation to the legislative auditor.

(e) For an expenditure deviation described in paragraph (d), the commissioner may include with the posted accounting of actual expenditures a narrative providing the commissioner's explanation of the deviation from the projected expenditures. The commissioner may also include the narrative in the commissioner's notice to the chairs and ranking minority members of the relevant legislative committees and in the commissioner's notice to the legislative auditor.

(f) If an accounting of actual expenditures released in January of the first fiscal year of a biennium reveals that since the most recent February forecast, after accounting for any increases attributable to changes in law during intervening legislative sessions, the actual expenditures for a program or service exceeded the projected expenditures for that program or service by more than ten percent, the commissioner must provide special notice of the deviation to the chairs and ranking minority members of the legislative committees with jurisdiction over the program or services, the chair and ranking minority member of the senate Finance Committee, the chair and ranking minority member of the house of representatives Ways and Means Committee, and the majority and minority caucus

leaders of both legislative bodies. Before March 31 in a year in which the commissioner sends a special notice under this paragraph, the commissioner must provide a second special notice to the same individuals to whom the commissioner sent the first special notice. In the second special notice, the commissioner must detail the consequences that will result from the commissioner's actions under subdivision 46 in the event the legislature does not act to prevent the commissioner from taking those actions.

Sec. 8. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to read:

Subd. 46. **Contingent program and service terminations and modifications.** (a) Except as otherwise provided in this subdivision, if an accounting of actual expenditures prepared according to subdivision 45 and released in January of the first fiscal year of a biennium reveals that since the most recent February forecast the actual expenditures for a program or service exceeded the projected expenditures for that program or service by more than ten percent, after accounting for any increases attributable to changes in law during intervening legislative sessions, the commissioner must terminate the program or service effective July 1 of the second year of the biennium. If the termination of the program or service requires federal approval, the commissioner must initiate the process to seek federal approval by the last day of March.

(b) Paragraph (a) does not apply to mandatory medical assistance benefits. If the commissioner determines that actual expenditures for a mandatory medical assistance benefit exceed the projected spending for that program or service in the most recent February forecast by more than ten percent, after accounting for any increases attributable to changes in law during any intervening legislative sessions, the commissioner must, in the aggregate, prospectively reduce payment rates effective July 1 of the second year of the biennium for medical assistance providers of the service to eliminate any additional growth in actual expenditures for the mandatory benefit. If the payment reductions require federal approval, the commissioner must initiate the process to seek federal approval by the last day of March.

(c) This subdivision does not apply if a finally enacted act explicitly directs the commissioner not to take the actions required under this subdivision.

Sec. 9. **APPROPRIATION; EVALUATION OF DEVIATIONS FROM PROJECTED SPENDING.**

$..... in fiscal year 2027 is appropriated from the general fund to the legislative auditor for evaluations of deviations from projected spending under Minnesota Statutes, section 3.972, subdivisions 2a, 2b, and 2e.

Sec. 10. **APPROPRIATION; CHILDREN, YOUTH, AND FAMILIES FORECAST TREND ANALYSIS.**

$..... in fiscal year 2027 is appropriated from the general fund to the commissioner of children, youth, and families for forecast trend analyses under Minnesota Statutes, section 142A.03, subdivision 36.

Sec. 11. **APPROPRIATION; HUMAN SERVICES FORECAST TREND ANALYSIS.**

$..... in fiscal year 2027 is appropriated from the general fund to the commissioner of human services for forecast trend analyses under Minnesota Statutes, section 256.01, subdivision 45."

Amend the title accordingly

Senator Frentz questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Rasmusson (A-4) amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Duckworth, Housley, Howe, and Johnson.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Fateh, Hemmingsen-Jaeger, Johnson Stewart, McEwen, Port, Rest, and Seeberger.

The motion did not prevail. So the amendment was not adopted.

Senator Rarick moved to amend S.F. No. 4282 as follows (A50):

Page 13, delete article 2

Page 14, delete article 3

Page 15, delete article 4

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 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Miller	Wesenberg
Dornink	Heintzeman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Duckworth, Housley, Howe, Johnson, and Pratt.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Champion, Fateh, Hemmingsen-Jaeger, McEwen, Port, Rest, and Seeberger.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4282 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 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 Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Gustafson, Hemmingsen-Jaeger, McEwen, Port, and Rest.

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Housley, Howe, and Pratt.

So the bill passed and its title was agreed to.

President Champion resumed the Chair.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Latz moved that S.F. No. 4760 be taken from the table. The motion prevailed.

S.F. No. 4760: 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.

Senator Rarick withdrew his pending amendment (A50), as amended.

RECONSIDERATION

Having voted on the prevailing side, Senator Marty moved that the vote whereby the Marty (A11) amendment to S.F. No. 4760 was adopted on April 21, 2026, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Senator Marty withdrew his amendment (A11).

Senator Kreun moved to amend the Latz (A-6) amendment to S.F. No. 4760, adopted by the Senate April 21, 2026, as follows (A12):

Page 38, delete section 1 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~~ persons on the premises, including the common area and the curtilage of the premises, 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.

(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 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."

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Housley, and Pratt.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Hemmingsen-Jaeger, McEwen, Port, and Rest.

The motion did not prevail. So the amendment was not adopted.

Senator Kreun moved to amend the Latz (A-6) amendment to S.F. No. 4760, adopted by the Senate April 21, 2026, as follows (A-9):

Page 33, line 29, strike "six" and insert "ten"

Page 33, after line 29, insert:

"(h) Indictments or complaints for violation of section 609.52, subdivision 2, paragraph (a), clause (3) or (4), where the property consists of public funds belonging to the state or to any political subdivision or agency shall be found or made and filed in the proper court within ten years after the commission of the offense."

Reletter the paragraphs in sequence

Page 33, line 31, after "where" insert "the property stolen did not consist of public funds and"

Page 34, line 17, delete "seven" and insert "ten"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Coleman	Drazkowski	Gustafson	Holmstrom
Bahr	Cwodzinski	Farnsworth	Hauschild	Housley
Boldon	Dahms	Fateh	Hawj	Howe
Carlson	Dibble	Frentz	Heintzeman	Jasinski
Champion	Dornink	Green	Hemmingsen-Jaeger	Johnson
Clark	Draheim	Gruenhagen	Hoffman	Johnson Stewart

Koran	Limmer	Miller	Port	Weber
Kreun	Lucero	Mohamed	Pratt	Wesenberg
Kunesh	Mann	Murphy	Putnam	Westlin
Kupec	Marty	Nelson	Rarick	Westrom
Lang	Mathews	Oumou Verbeten	Rasmusson	Wiklund
Latz	Maye Quade	Pappas	Seeberger	Xiong
Lieske	McEwen	Pha	Utke	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, McEwen, Murphy, Port, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Housley, Lieske, and Pratt.

The motion prevailed. So the amendment was adopted.

Senator Holmstrom moved to amend S.F. No. 4760 as follows (A10):

Page 66, after line 27, insert:

"ARTICLE 10

SWATTING

Section 1. Minnesota Statutes 2024, section 609.78, subdivision 2, is amended to read:

Subd. 2. **Gross misdemeanor offenses.** Whoever does the following is guilty of a gross misdemeanor:

(1) intentionally interrupts, disrupts, impedes, or interferes with an emergency call or who intentionally prevents or hinders another from placing an emergency call, and whose conduct does not result in a violation of section 609.498; or

(2) ~~places an emergency call and reports a fictitious emergency with the intent of prompting an emergency response by law enforcement, fire, or emergency medical services personnel; or~~

~~(3)~~ violates subdivision 1, clause (6), after having been previously convicted or adjudicated delinquent for violating that clause.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 609.78, subdivision 2a, is amended to read:

Subd. 2a. **Felony offense; reporting fictitious emergency resulting in serious injury.** Whoever violates subdivision ~~2, clause (2),~~ 2c is guilty of a felony and may be sentenced as follows:

(1) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if the call triggers an emergency response and, as a result of the response, someone suffers great bodily harm or death; or

(2) to imprisonment of not more than three years or to payment of a fine of not more than $10,000, or both, if the call triggers an emergency response and as a result of the response, someone suffers substantial bodily harm.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2025 Supplement, section 609.78, subdivision 2c, is amended to read:

Subd. 2c. **Felony offense; reporting fictitious emergency resulting in response ~~to the home of certain officials.~~** Whoever ~~violates subdivision 2, clause (2), is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $5,000, or both, if the person~~ places ~~the~~ an emergency call and reports a fictitious emergency with the intent of prompting an emergency response ~~to the home of:~~ by law enforcement, fire, or emergency medical services personnel is guilty of a felony and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $5,000, or both.

~~(1) an elected official;~~

~~(2) a judge as defined in section 609.221, subdivision 6, clause (5);~~

~~(3) a prosecuting attorney as defined in section 609.221, subdivision 6, clause (4);~~

~~(4) a correctional employee of the state or a local political subdivision; or~~

~~(5) a peace officer as defined in section 626.84, subdivision 1, paragraph (c).~~

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date."

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 34, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Jasinski	Mathews	Weber
Bahr	Green	Johnson	Miller	Wesenberg
Coleman	Gruenhagen	Koran	Nelson	Westrom
Dahms	Heintzeman	Kreun	Pratt	
Dornink	Holmstrom	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	
Drazkowski	Howe	Limmer	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Housley, and Lieske.

Those who voted in the negative were:

Boldon	Champion	Cwodzinski	Fateh	Gustafson
Carlson	Clark	Dibble	Frentz	Hauschild

Hawj	Kunesh	Maye Quade	Pappas	Seeberger
Hemmingsen-Jaeger	Kupec	McEwen	Pha	Westlin
Hoffman	Latz	Mohamed	Port	Wiklund
Johnson Stewart	Mann	Murphy	Putnam	Xiong
Klein	Marty	Oumou Verbeten	Rest	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, McEwen, Murphy, Port, Rest, and Wiklund.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4760 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 13, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Johnson	Marty	Putnam
Boldon	Fateh	Johnson Stewart	Maye Quade	Rarick
Carlson	Frentz	Klein	McEwen	Rest
Champion	Gustafson	Koran	Miller	Seeberger
Clark	Hauschild	Kreun	Mohamed	Weber
Coleman	Hawj	Kunesh	Murphy	Westlin
Cwodzinski	Heintzeman	Kupec	Nelson	Wiklund
Dahms	Hemmingsen-Jaeger	Lang	Oumou Verbeten	Xiong
Dibble	Hoffman	Latz	Pappas	
Dornink	Howe	Limmer	Pha	
Draheim	Jasinski	Mann	Port	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Marty, McEwen, Murphy, Port, Rest, and Wiklund.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler and Coleman.

Those who voted in the negative were:

Bahr	Gruenhagen	Lieske	Rasmusson	Westrom
Drazkowski	Holmstrom	Mathews	Utke	
Green	Housley	Pratt	Wesenberg	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley and Lieske.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 4118: A bill for an act relating to financial institutions; authorizing credit unions to obtain insurance from a credit union share insurance provider; regulating credit union share guaranty corporations; making conforming changes; amending Minnesota Statutes 2024, sections 11A.24, subdivision 4; 17.59, subdivision 4; 46A.01, subdivision 10; 52.001, by adding a subdivision; 52.04, subdivision 1; 52.063, subdivision 3; 52.09, subdivision 2; 52.24, subdivisions 1, 2, by adding a subdivision; 53B.28, subdivision 10; 53B.29; 53B.38; 53B.62, subdivisions 1, 2; 60A.091; 67A.231;

79A.22, subdivision 7; 80A.41; 80A.45; 82.77, subdivision 1; 118A.04, subdivision 5; 123B.14, subdivision 3; 142F.20, subdivision 2; 149A.97, subdivisions 3a, 5; 325K.01, subdivision 12; 354B.25, subdivision 2; 356.001, subdivision 3; 356.645; 356A.06, subdivisions 6, 7, 8a; 366.01, subdivision 4; 385.07; 424B.22, subdivision 9; 427.06; 524.3-715.

Senator Frentz moved that the amendment made to H.F. No. 4118 by the Committee on Rules and Administration in the report adopted April 15, 2026, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Rasmusson moved to amend H.F. No. 4118 as follows (A-2):

Page 10, after line 32, insert:

"Sec. 11. **[52.241] MANDATORY DISCLOSURES.**

Subdivision 1. **Mandatory disclosure.** A credit union insured through a credit union share guaranty corporation approved by the commissioner must do the following:

(1) include conspicuously in all periodic statements of account, on each signature card, and on each passbook, certificate of deposit, or share certificate, a notice that the credit union is not federally insured, and that if the credit union fails, the federal government does not guarantee that members will get back their money; and

(2) include clearly and conspicuously in all advertising, except as provided in subdivision 3, and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts, and on its main Internet page, a notice that the credit union is not federally insured.

Subd. 2. **Acknowledgement of disclosure.** (a) A credit union insured through a credit union share guaranty corporation must obtain written acknowledgment from each member that the credit union is not federally insured and that if the credit union fails, the federal government does not guarantee that members will get back their money.

(b) Within 45 days of the effective date of this section, the credit union must provide members with the following:

(1) a conspicuous card containing the information described in paragraph (a) and a line for the signature of the member; and

(2) accompanying materials requesting the member to sign the card, and return the signed card to the institution.

(c) A member who converts to or merges into a credit union insured through a credit union share guaranty corporation must sign a written acknowledgment as described in paragraph (a). Within 45 days of the conversion or merger, the credit union must provide the member with the following:

(1) a conspicuous card containing the information described in paragraph (a) and a line for the signature of the member; and

(2) accompanying materials requesting the member to sign the card, and return the signed card to the institution.

Subd. 3. **Exceptions.** The following need not include a notice that the credit union is not federally insured:

(1) any sign, document, or other item that contains the name of the credit union, its logo, or its contact information, but only if the sign, document, or item does not include any information about the credit union's products or services or information otherwise promoting the institution; and

(2) small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.

Subd. 4. **Enforcement.** The commissioner must enforce the requirements of this section."

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 24 and nays 41, as follows:

Those who voted in the affirmative were:

Coleman	Green	Howe	Lang	Rasmusson
Dahms	Gruenhagen	Jasinski	Limmer	Utke
Dornink	Heintzeman	Johnson	Lucero	Weber
Draheim	Hoffman	Koran	Mathews	Westrom
Farnsworth	Holmstrom	Kreun	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Coleman.

Those who voted in the negative were:

Bahr	Frentz	Kupec	Murphy	Seeberger
Boldon	Gustafson	Latz	Nelson	Wesenberg
Carlson	Hauschild	Lieske	Oumou Verbeten	Westlin
Champion	Hawj	Mann	Pappas	Wiklund
Clark	Hemmingsen-Jaeger	Marty	Pha	Xiong
Cwodzinski	Housley	Maye Quade	Port	
Dibble	Johnson Stewart	McEwen	Pratt	
Drazkowski	Klein	Miller	Putnam	
Fateh	Kunesh	Mohamed	Rest	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Latz, Marty, McEwen, Murphy, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley and Lieske.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 4118 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 51 and nays 15, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Carlson, Gustafson, Hemmingsen-Jaeger, Latz, Marty, McEwen, Murphy, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Lieske.

Those who voted in the negative were:

Abeler	Heintzeman	Howe	Lang	Rarick
Draheim	Hoffman	Johnson	Mathews	Rasmusson
Green	Housley	Koran	Pratt	Utke

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Abeler and Housley.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2691: A bill for an act relating to housing; providing standards for rent and utility payments, fees, and charges in manufactured home parks; requiring certain safety inspections; modifying provisions for sale of manufactured home parks; modifying penalties; amending Minnesota Statutes 2024, sections 327C.015, subdivision 13; 327C.03, subdivision 3; 327C.04, subdivision 1, by adding a subdivision; 327C.06, subdivisions 1, 3; 327C.097; 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 2024, section 327C.096.

Senator Boldon moved to amend S.F. No. 2691 as follows (A11):

Page 3, line 25, delete "may be challenged as" and insert "is presumed to be"

Page 3, line 27, delete "a preponderance of the" and insert "clear and convincing"

Page 3, line 28, delete everything after "residents"

Page 3, line 29, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Klein	McEwen	Putnam
Boldon	Frentz	Kunesh	Mohamed	Rest
Carlson	Gustafson	Kupec	Murphy	Seeberger
Champion	Hauschild	Latz	Oumou Verbeten	Westlin
Clark	Hawj	Mann	Pappas	Wiklund
Cwodzinski	Hemmingsen-Jaeger	Marty	Pha	Xiong
Dibble	Johnson Stewart	Maye Quade	Port	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Hemmingsen-Jaeger, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Abeler.

Those who voted in the negative were:

Bahr	Green	Jasinski	Lucero	Utke
Coleman	Gruenhagen	Johnson	Mathews	Weber
Dahms	Heintzeman	Koran	Miller	Wesenberg
Dornink	Hoffman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Farnsworth	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Drazkowski, Housley, Koran, Lieske, and Pratt.

The motion prevailed. So the amendment was adopted.

Senator Draheim moved to amend S.F. No. 2691 as follows (A50):

Page 3, line 29, delete everything after the period

Page 3, delete lines 30 to 32

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:

Bahr	Green	Jasinski	Lucero	Utke
Coleman	Gruenhagen	Johnson	Mathews	Weber
Dahms	Heintzeman	Koran	Miller	Wesenberg
Dornink	Hoffman	Kreun	Nelson	Westrom
Draheim	Holmstrom	Lang	Pratt	
Drazkowski	Housley	Lieske	Rarick	
Farnsworth	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Drazkowski, Housley, Koran, Lieske, and Pratt.

Those who voted in the negative were:

Abeler	Fateh	Klein	McEwen	Putnam
Boldon	Frentz	Kunesh	Mohamed	Rest
Carlson	Gustafson	Kupec	Murphy	Seeberger
Champion	Hauschild	Latz	Oumou Verbeten	Westlin
Clark	Hawj	Mann	Pappas	Wiklund
Cwodzinski	Hemmingsen-Jaeger	Marty	Pha	Xiong
Dibble	Johnson Stewart	Maye Quade	Port	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Abeler.

The motion did not prevail. So the amendment was not adopted.

Senator Lucero moved to amend S.F. No. 2691 as follows (A13):

Page 2, line 15, after the period, insert "A park owner receiving rent or other payments from a resident in cash must provide a written receipt for payment immediately upon receipt if the payment is made in person, or within three business days if payment in cash is not made in person."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Dornink, Drazkowski, Housley, Johnson, Koran, Lieske, and Pratt.

The motion prevailed. So the amendment was adopted.

Senator Lucero moved to amend S.F. No. 2691 as follows (A15):

Page 5, delete section 10

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 29 and nays 37, as follows:

Those who voted in the affirmative were:

Bahr	Green	Johnson	Lucero	Rasmusson
Dahms	Gruenhagen	Koran	Mathews	Utke
Dornink	Heintzeman	Kreun	Miller	Weber
Draheim	Holmstrom	Lang	Nelson	Wesenberg
Drazkowski	Howe	Lieske	Pratt	Westrom
Farnsworth	Jasinski	Limmer	Rarick	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Dornink, Koran, Lieske, and Pratt.

Those who voted in the negative were:

Abeler	Fateh	Johnson Stewart	McEwen	Rest
Boldon	Frentz	Klein	Mohamed	Seeberger
Carlson	Gustafson	Kunesh	Murphy	Westlin
Champion	Hauschild	Kupec	Oumou Verbeten	Wiklund
Clark	Hawj	Latz	Pappas	Xiong
Coleman	Hemmingsen-Jaeger	Mann	Pha	
Cwodzinski	Hoffman	Marty	Port	
Dibble	Housley	Maye Quade	Putnam	

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Carlson, Klein, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Abeler, Coleman, and Housley.

The motion did not prevail. So the amendment was not adopted.

Senator Kreun moved to amend S.F. No. 2691 as follows (A16):

Page 3, delete section 8

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Dornink, Housley, Koran, and Lieske.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Klein, Mann, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Abeler.

The motion did not prevail. So the amendment was not adopted.

Senator Kreun moved to amend S.F. No. 2691 as follows (A18):

Page 3, after line 32, insert:

"Sec. 9. Minnesota Statutes 2024, section 327C.06, is amended by adding a subdivision to read:

Subd. 4. **Rent increase permitted by majority vote.** (a) Subdivision 3 does not apply if the park owner's proposed rent increase is approved by a vote of the majority of the homes within the manufactured home park as provided under this subdivision. Only one resident per home may cast a vote under this subdivision.

(b) The park owner must send each home a ballot by certified mail with a return receipt requested. The ballot must include information about the proposed rent increase, the reason for the rent increase, how the increased revenue from the rent increase will be used, and, if the rent increase is proposed to make improvements to the home park, the deadline for the completion of the improvements.

(c) A resident may bring a civil action against a park owner and recover statutory damages in the amount of $10,000 and reasonable attorney fees if:

(1) the park owner coerces the resident to vote in favor of a rent increase under this subdivision; or

(2) the park owner knowingly makes a false statement on a ballot provided under this subdivision."

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman, Dornink, Housley, Koran, and Lieske.

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 Frentz cast the negative vote on behalf of the following Senators: Carlson, Dibble, Fateh, Klein, Mann, McEwen, Port, Putnam, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Abeler.

The motion did not prevail. So the amendment was not adopted.

Senator Boldon moved to amend S.F. No. 2691 as follows (A19):

Page 10, after line 2, insert:

"Sec. 11. Minnesota Statutes 2024, section 327C.11, subdivision 3, is amended to read:

Subd. 3. **Writ of recovery stayed.** The issuance of a writ of recovery, other than a conditional writ, shall be stayed for a reasonable period not to exceed seven days to allow the resident to arrange to remove the resident's home from the lot or for the purpose of an in park sale, as provided in section 327C.07.

Sec. 12. Minnesota Statutes 2024, section 327C.11, is amended by adding a subdivision to read:

Subd. 5. **Good cause.** (a) Upon a showing of good cause, the court may stay a writ under subdivision 3 or issue a conditional writ under subdivision 4 for a reasonable period not to exceed 30 days.

(b) Paragraph (a) does not apply to an action brought on the basis that the resident engaged in behavior that seriously endangered the safety of other residents or intentionally and seriously damaged the property of the park owner or a resident."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator Boldon imposed a call of the Senate for the balance of the proceedings on S.F. No. 2691. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 2691 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 31, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	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 Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senator: Abeler.

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	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	
Farnsworth	Jasinski	Lucero	Utke	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman, Dornink, Housley, Koran, Kreun, Lieske, and Pratt.

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 3699: 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.

H.F. No. 3699 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 48 and nays 18, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Johnson	Mathews	Port
Boldon	Fateh	Johnson Stewart	Maye Quade	Pratt
Carlson	Frentz	Klein	McEwen	Putnam
Champion	Gustafson	Kunesh	Miller	Rest
Clark	Hauschild	Kupec	Mohamed	Seeberger
Coleman	Hawj	Lang	Murphy	Westlin
Cwodzinski	Heintzeman	Latz	Nelson	Wiklund
Dibble	Hemmingsen-Jaeger	Limmer	Oumou Verbeten	Xiong
Dornink	Hoffman	Mann	Pappas	
Draheim	Jasinski	Marty	Pha	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Dornink, and Pratt.

Those who voted in the negative were:

Bahr	Gruenhagen	Koran	Rarick	Wesenberg
Dahms	Holmstrom	Kreun	Rasmusson	Westrom
Drazkowski	Housley	Lieske	Utke	
Green	Howe	Lucero	Weber	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Housley, Koran, Kreun, and Lieske.

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

S.F. No. 3888 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	
Draheim	Housley	Lucero	Pratt	
Drazkowski	Howe	Mann	Putnam	
Farnsworth	Jasinski	Marty	Rarick	

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Fateh, Mann, McEwen, Port, and Rest.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Dornink, Housley, Koran, Kreun, Lieske, and Pratt.

So the bill passed and its title was agreed to.

RECESS

Senator Murphy moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Senator Murphy moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Murphy from the Committee on Rules and Administration, to which was referred under Senate Concurrent Resolution No. 6, together with the committee report thereon,

S.F. No. 3432: A bill for an act relating to public safety; establishing the public safety radio and crime victims account; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 403.11, subdivisions 1, 1a; 403.113, subdivision 1; 403.161, subdivisions 1, 3, 5, 6; 403.162, subdivisions 1, 5; proposing coding for new law in Minnesota Statutes, chapter 403.

Reports the same back with the recommendation that the provisions of Senate Concurrent Resolution No. 6 be suspended for all further proceedings on S.F. No. 3432 and that the report from the Committee on Judiciary and Public Safety, shown in the Journal for April 21, 2026, be adopted; that committee recommendation being:

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

MEMBERS EXCUSED

Senator Duckworth was excused from the Session of today from 1:45 to 2:15 p.m. and at 2:45 p.m. Senator Lucero was excused from the Session of today from 3:00 to 3:30 p.m. Senator Abeler was excused from the Session of today from 3:30 to 4:25 p.m. Senator Westrom was excused from the Session of today from 4:25 to 4:35 p.m.

ADJOURNMENT

Senator Johnson moved that the Senate do now adjourn until 11:00 a.m., Wednesday, April 22, 2026. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate