SIXTY-EIGHTH LEGISLATIVE DAY

St. Paul, Minnesota, Monday, May 4, 2026

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Jen Collins.

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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 17, 2026

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

MINNESOTA RURAL FINANCE AUTHORITY

Harold Wolle, Madelia, in the county of Blue Earth, effective April 22, 2026, for a term expiring on January 7, 2030.

(Referred to the Committee on Agriculture, Veterans, Broadband, and Rural Development.)

Sincerely,
Tim Walz, Governor

April 30, 2026

The Honorable Bobby Joe Champion
President of the Senate

Dear Senator Champion:

I respectfully submit the attached list of Notaries Public for 2025 to the Senate for confirmation as required by Article V, Section 3 of the Minnesota Constitution and Minnesota Statutes 2025, section 359.01.

Sincerely,
Tim Walz, Governor

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

April 29, 2026

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 54, S.F. No. 3832; Chapter 60, S.F. No. 3958; and Chapter 61, S.F. No. 3622.

Sincerely,
Tim Walz, Governor

May 1, 2026

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2026 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2026	Date Filed 2026
	3467	52	11:16 a.m. April 29	April 29
	3718	53	11:16 a.m. April 29	April 29
3832		54	11:16 a.m. April 29	April 29
	4241	55	11:17 a.m. April 29	April 29
	4118	56	11:18 a.m. April 29	April 29
	3699	57	11:18 a.m. April 29	April 29
	3437	58	11:20 a.m. April 29	April 29
	1410	59	11:20 a.m. April 29	April 29
3958		60	11:21 a.m. April 29	April 29
3622		61	11:21 a.m. April 29	April 29

Sincerely,
Steve Simon
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2971: A bill for an act relating to transportation; requiring data collection on bridge-related suicides; requiring development of best practices for suicide prevention on bridges; requiring implementation of suicide reduction railings on bridge projects identified as appropriate and feasible; proposing coding for new law in Minnesota Statutes, chapter 165.

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.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1750: A bill for an act relating to common interest communities; modifying powers and duties of common interest communities; modifying rights of a unit owner; modifying threshold for termination of a common interest community; establishing dispute resolution process; modifying notice of meetings; limiting late fees, fines, and attorney fees; modifying foreclosure requirements; establishing conflict of interest standards for board members; prohibiting local governments from requiring creation of homeowners associations; amending Minnesota Statutes 2024, sections 515B.1-102; 515B.1-103; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-116; Laws 2024, chapter 96, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 515B.

Senate File No. 1750 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

CONCURRENCE AND REPASSAGE

Senator Lucero moved that the Senate concur in the amendments by the House to S.F. No. 1750 and that the bill be placed on its repassage as amended.

Senator Murphy moved that S.F. No. 1750 be laid on the table.

The question was taken on the adoption of the Murphy motion.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Dibble, and Fateh.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Rasmusson and Weber.

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 4171: A bill for an act relating to housing; providing for submetered utility service final billing for vacating tenants; modifying provisions related to the payment of rent by tenants; amending Minnesota Statutes 2024, sections 216B.023, by adding a subdivision; 504B.118; 504B.216, by adding a subdivision.

Senate File No. 4171 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

CONCURRENCE AND REPASSAGE

Senator Port moved that the Senate concur in the amendments by the House to S.F. No. 4171 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 4171 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Hawj cast the affirmative vote on behalf of the following Senators: Carlson, Dibble, Fateh, and McEwen.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Rasmusson and Weber.

Those who voted in the negative were:

Bahr	Drazkowski	Mathews

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 4760: A bill for an act relating to public safety; modifying provisions regarding data protection, domestic abuse, victims' rights, license revocation, community-based correctional facilities, private detectives and protective agents, law enforcement grants, criminal records, orders for protection, harassment restraining orders, judicial officials, disqualifications based on criminal history, substance abuse care, mental health unit beds, community supervision, medication for incarcerated persons, the crime of coercion, reverse-location data, financial crimes and fraud, organized retail theft, age deception, background checks, eviction processes, and smoke alarms; extending the time available to use an appropriation; making technical corrections; providing criminal penalties; requiring a report; 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; 244.10, subdivision 5a; 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; 504B.321, subdivision 2; 518B.01, subdivision 6; 518B.02, subdivision 2; 559.21, by adding a subdivision; 609.133, subdivision 4; 609.27, subdivision 2; 609.3471; 609.522, subdivisions 1, 2; 609.527, subdivision 1; 609.605, subdivision 2; 609.748, by adding a subdivision; 609.7495, subdivision 1; 609A.015, subdivision 5; 611A.03, subdivision 1, by adding a subdivision; 611A.0311, subdivision 1; 611A.036, subdivision 7; 611A.038; 611A.039, subdivision 1; 611A.31, subdivision 5; 629.341, subdivisions 1, 4; 629.72, subdivisions 1a, 2, 2a, 6; 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, subdivisions 1, 4f; 256G.03, subdivision 2; 299C.061, subdivision 3; 299C.76, subdivision 1; 299C.80, subdivision 6; 480.40, subdivision 1; 480.50, subdivision 1; 609.101, subdivision 2; 609.2334, subdivision 11; 628.26; Laws 2023, chapter 52, article 2, section 3, subdivision 8, as amended; proposing coding for new law in Minnesota Statutes, chapters 241; 518B; 559; 609; 626; 626A; repealing Minnesota Statutes 2024, sections 169A.54, subdivision 6; 241.021, subdivisions 1g, 1h, 2a, 2b, 3, 6; 299C.12; 629.72, subdivision 3; Minnesota Statutes 2025 Supplement, section 241.021, subdivision 2.

Senate File No. 4760 is herewith returned to the Senate.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Returned April 30, 2026

Senator Latz moved that the Senate do not concur in the amendments by the House to S.F. No. 4760, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3426, 3709, 4063, and 4151.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted April 30, 2026

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3426: A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; extending certain prior appropriations; modifying provisions on expenditures from environment and natural resources trust fund; modifying requirements for community grants program; amending Minnesota Statutes 2024, sections 116P.08, subdivision 4, by adding a subdivision; 116P.09, subdivision 6; 116X.03, by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3857, now on General Orders.

H.F. No. 3709: A bill for an act relating to financial institutions; allowing certain virtual-currency custody services to be offered and performed; proposing coding for new law in Minnesota Statutes, chapters 48; 52.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3794, now on General Orders.

H.F. No. 4063: A bill for an act relating to transportation; modifying first aid kit requirements on school buses; requiring USDOT numbers for all school buses; authorizing use of school buses on public roads for training purposes; amending Minnesota Statutes 2024, sections 169.011, subdivision 71; 169.448, subdivision 1; 169.449, by adding a subdivision; 169.454, subdivision 5, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3985, now on General Orders.

H.F. No. 4151: A bill for an act relating to occupations; modifying eligibility of certain applicants for licenses to serve as private detectives or protective agents; amending Minnesota Statutes 2024, sections 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3827, now on General Orders.

REPORTS OF COMMITTEES

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

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

S.F. No. 4504: A bill for an act relating to energy; establishing and modifying provisions related to petroleum, thermal energy network service, solar, and other energy policy; establishing the supplemental energy assistance grant program; establishing a supplemental budget for energy and renewable energy purposes; requiring reports; amending Minnesota Statutes 2024, sections 115C.08, subdivision 4; 115C.09, by adding a subdivision; 216C.02, subdivision 1; 216C.05, subdivision 1; 216C.377, subdivisions 10, 13; 216C.391, subdivisions 6, 7; 216C.441, subdivisions 3, 4, by adding a subdivision; 216C.46, subdivision 3; Minnesota Statutes 2025 Supplement, section 216B.16, subdivision 15; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C.

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

Page 1, delete lines 13 and 14

Pages 1 to 5, delete sections 1 to 3

Page 7, delete section 5

Page 13, delete section 12

Page 20, delete sections 17 and 18

Page 20, delete article 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "establishing provisions regulating plug-in solar photovoltaic devices; expanding the ability of the commissioner of commerce to enter into energy research partnerships or compacts; providing for energy security planning; extending or modifying various energy-related grant programs; providing additional financing mechanisms to support Minnesota Climate Innovation Financing Authority activities;"

Page 1, delete lines 3 and 4

Page 1, line 5, delete everything before "amending"

Amend the title numbers accordingly

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

Senator Rest from the Committee on Taxes, to which was referred

S.F. No. 5052: A bill for an act relating to taxation; modifying individual income, corporate franchise, sales and use, and gross receipts taxes and other various taxes and tax-related provisions; providing appointments; providing for certain federal conformity; modifying pass-through entity tax provisions; modifying the sustainable aviation fuel credit; modifying the dependent care credit; modifying the historic structure rehabilitation credit; imposing a gross receipts tax on firearms; lowering the statewide sales and use tax rate and expanding the base; imposing a social media tax and dedicating receipts; making changes to the cannabis gross receipts tax; creating a commission on artificial intelligence; providing for appointments; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 41A.30, subdivisions 1, 2, 7; 270C.726, subdivisions 2, 3; 289A.02, subdivision 7; 289A.08, subdivision 7a; 289A.12, subdivisions 4, 12, by adding a subdivision; 289A.60, subdivision 8; 290.01, subdivisions 19, 31; 290.0122, subdivision 4; 290.0131, subdivision 9, by adding subdivisions; 290.0132, by adding subdivisions; 290.0133, subdivision 11, by adding subdivisions; 290.0134, by adding subdivisions; 290.033; 290.06, subdivision 40; 290.067; 290.0921, subdivision 3; 290.21, subdivision 10; 290.92, subdivision 26; 290A.03, subdivision 15; 291.005, subdivision 1; 295.81, subdivisions 1, 3, 4, 6, 9; 297A.61, subdivision 3; 297A.62, subdivision 1; 297F.25, subdivision 1; Minnesota Statutes 2025 Supplement, sections 41A.30, subdivision 5; 290.06, subdivisions 2c, 23a; 290.091, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 116J; 290; 295.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

FEDERAL UPDATE

Section 1. Minnesota Statutes 2024, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 2. Minnesota Statutes 2024, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for taxable years beginning after December 31, 1996, except the sections of federal law in section 290.0112 shall also apply.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

(h) In the case of a partnership electing to file a composite return under section 289A.08, subdivision 7, "net income" means the partner's share of federal adjusted gross income from the partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(i) In the case of a qualifying entity electing to pay the pass-through entity tax under section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal adjusted gross income from the qualifying entity modified by the additions provided in section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the pass-through entity tax computation to the extent

the qualifying owners would have been allowed the subtraction. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 3. Minnesota Statutes 2024, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 4. **[290.0112] CONFORMITY TO CERTAIN FEDERAL TAX CHANGES.**

Subdivision 1. **Adopting Internal Revenue Code changes.** For the purposes of this chapter, "Internal Revenue Code," as defined in section 290.01, subdivisions 19 and 31, includes the sections of federal law specified in this section as enacted or amended through March 1, 2026.

Subd. 2. **One Big Beautiful Bill Act, 2025.** "Internal Revenue Code" includes the following provisions in Public Law 119-21:

(1) section 70301;

(2) section 70307;

(3) section 70404;

(4) section 70405;

(5) section 70434; and

(6) section 70603.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 5. Minnesota Statutes 2024, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

Sec. 6. Minnesota Statutes 2024, section 291.005, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as required to be valued and otherwise determined for federal estate tax purposes under the Internal Revenue Code, increased by the value of any property in which the decedent had a qualifying income interest for life and for which an election was made under section 291.03, subdivision 1d, for Minnesota estate tax purposes, but was not made for federal estate tax purposes.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through May 1, 2023, except the sections of federal law in section 290.0112 shall also apply.

(4) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included in the estate which has its situs outside Minnesota, and (b) including any property omitted from the federal gross estate which is includable in the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(7) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply to determinations of domicile under this chapter.

(8) "Situs of property" means, with respect to:

(i) real property, the state or country in which it is located;

(ii) tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death or for a gift of tangible personal property within three years of death, the state or country in which it was normally kept or located when the gift was executed;

(iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue Code, owned by a nonresident decedent and that is normally kept or located in this state because it is on

loan to an organization, qualifying as exempt from taxation under section 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

(iv) intangible personal property, the state or country in which the decedent was domiciled at death or for a gift of intangible personal property within three years of death, the state or country in which the decedent was domiciled when the gift was executed.

For a nonresident decedent with an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property, including qualified works of art, is determined as if the pass-through entity does not exist and the real or tangible personal property is personally owned by the decedent. If the pass-through entity is owned by a person or persons in addition to the decedent, ownership of the property is attributed to the decedent in proportion to the decedent's capital ownership share of the pass-through entity.

(9) "Pass-through entity" includes the following:

(i) an entity electing S corporation status under section 1362 of the Internal Revenue Code;

(ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

(iii) a single-member limited liability company or similar entity, regardless of whether it is taxed as an association or is disregarded for federal income tax purposes under Code of Federal Regulations, title 26, section 301.7701-3; or

(iv) a trust to the extent the property is includable in the decedent's federal gross estate; but excludes

(v) an entity whose ownership interest securities are traded on an exchange regulated by the Securities and Exchange Commission as a national securities exchange under section 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

EFFECTIVE DATE. This section is effective the day following final enactment, except the changes incorporated by federal changes are effective retroactively at the same time as the changes were effective for federal purposes.

ARTICLE 2

INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2024, section 41A.30, subdivision 1, is amended to read:

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

(b) "Aircraft" has the meaning given in section 296A.01, subdivision 3.

(c) "Aviation gasoline" has the meaning given in section 296A.01, subdivision 7.

(d) "Commissioner" means the commissioner of agriculture.

(e) "Jet fuel" has the meaning given in section 296A.01, subdivision 8.

(f) "Qualifying taxpayer" means a taxpayer, as defined in section 290.01, subdivision 6, that is engaged in the business of:

(1) producing sustainable aviation fuel; or

(2) blending sustainable aviation fuel with aviation gasoline or jet fuel.

(g) "Sustainable aviation fuel" means liquid fuel that:

(1) is derived from:

(i) biomass, as defined in section 41A.15, subdivision 2e, that is produced in the United States, provided that any agricultural feedstocks are from planted crops and crop residue harvested from agricultural land cleared or cultivated any time prior to December 19, 2007, that is either actively managed or fallow;

(ii) gaseous carbon oxides; or

(iii) hydrogen that has a carbon intensity not greater than four kilograms of carbon dioxide equivalent per kilogram of hydrogen produced;

(2) is not derived from palm fatty acid distillates; and

(3) achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel as determined by a test that shows:

(i) that the fuel production pathway achieves at least a 50 percent life cycle greenhouse gas emissions reduction in comparison with petroleum-based aviation gasoline, aviation turbine fuel, and jet fuel utilizing the most recent version of Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model that accounts for reduced emissions throughout the fuel production process; or

(ii) that the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core life cycle emissions and the positive induced land use change values under the life cycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

Sec. 2. Minnesota Statutes 2024, section 41A.30, subdivision 2, is amended to read:

Subd. 2. **Tax credit establishment.** (a) A qualifying taxpayer may claim a tax credit against the tax due under chapter 290 equal to $1.50 for each gallon of sustainable aviation fuel that is:

(1) produced in Minnesota or blended with aviation or gasoline or jet fuel in Minnesota, provided that carbon oxides sequestered as part of the production process are not used as a tertiary injectant in a qualified enhanced oil recovery project; and

(2) sold in Minnesota to a purchaser who certifies that the sustainable aviation fuel is for use as fuel in an aircraft departing from an airport in Minnesota.

(b) The credit may be claimed only after approval and certification by the commissioner and is limited to the amount stated on the credit certificate issued under subdivision 3. A qualifying taxpayer must apply to the commissioner for certification and allocation of a credit in a form and manner prescribed by the commissioner.

(c) A qualifying taxpayer may claim a credit for blending or producing sustainable aviation fuel, but not both. If sustainable aviation fuel is blended with aviation gasoline or jet fuel, the credit is allowed only for the portion of sustainable aviation fuel that is included in the blended fuel.

(d) If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under chapter 290, the commissioner of revenue must refund the excess to the taxpayer.

(e) Subject to the commissioner's certification, a qualifying taxpayer may claim a supplemental tax credit against the tax due under chapter 290 equal to the rate of $0.02 per gallon for each additional whole percentage carbon intensity reduction beyond 50 percent, but capped at $2.00 per gallon.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2024, for sustainable aviation fuel sold after June 30, 2025.

Sec. 3. Minnesota Statutes 2025 Supplement, section 41A.30, subdivision 5, is amended to read:

Subd. 5. **Allocation limits.** (a) Subject to additional rollover allocation as provided in paragraph (b), for tax credits allowed under subdivision 2, the commissioner must not issue credit certificates for more than ~~$11,600,000~~ $36,900,000 in total, allocated as follows:

(1) $7,400,000 for fiscal year 2025; ~~and~~

(2) $2,100,000 for ~~each of~~ fiscal ~~years~~ year 2026 ~~and 2027~~;

(3) $7,400,000 for fiscal year 2027;

(4) $5,300,000 for fiscal year 2028; and

(5) $2,100,000 for each fiscal year from 2029 through 2035.

(b) Any portion of a fiscal year's credits that is not allocated by the commissioner does not cancel and may be carried forward to subsequent fiscal years until ~~all credits have been allocated~~ the entire allocation has been made, except that the commissioner must not issue any credit certificates for fiscal years beginning after June 30, ~~2030~~ 2035, and any unallocated amounts cancel on that date.

EFFECTIVE DATE. This section is effective retroactively for taxable years beginning after December 31, 2025.

Sec. 4. Minnesota Statutes 2024, section 41A.30, subdivision 7, is amended to read:

Subd. 7. **Expiration.** This section expires for taxable years beginning after December 31, ~~2030~~ 2035.

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

Sec. 5. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this

limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

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

(1) the owner of the agricultural land; or

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

(g) For a sale to a limited land access farmer, the credit rate under paragraph (a), clause (1), is 12 percent rather than eight percent.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 6. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

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

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

~~(c) For credits for owners of agricultural assets allowed under subdivision 2, the authority must not allocate more than $6,500,000 for taxable years beginning after December 31, 2022, and before~~

~~January 1, 2024, and $4,000,000 for taxable years beginning after December 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning on January 1 of each year, except that recertifications for the second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated for taxable years ending before January 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning after December 31, 2022, any amount authorized but not allocated in any taxable year does not cancel and is added to the allocation for the next taxable year. For each taxable year, 50 percent of newly allocated credits must be allocated to limited land access farmers. Any portion of a taxable year's newly allocated credits that is reserved for limited land access farmers that is not allocated by September 30 of the taxable year is available for allocation to other credit allocations beginning on October 1.~~

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 7. Minnesota Statutes 2025 Supplement, section 41B.0391, subdivision 6a, is amended to read:

Subd. 6a. **Report to legislature.** (a) No later than ~~February~~ March 1 each year the Rural Finance Authority, in consultation with the commissioner of revenue, must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture, economic development, rural development, and taxes, in compliance with sections 3.195 and 3.197, on the beginning farmer tax credits under this section.

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

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

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

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

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

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

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

(6) data on the number of beginning farmers by geographic region, including:

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

(ii) to the extent available, the number of beginning farmers who are limited land access farmers~~; and~~.

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

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

(1) the number and amount of credits issued;

(2) the geographic distribution of credits;

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

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

EFFECTIVE DATE. This section is effective for reports due for credits issued for taxable years beginning after December 31, 2025.

Sec. 8. Minnesota Statutes 2024, section 116U.27, subdivision 1, is amended to read:

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

(b) "Allocation ~~certificate~~ letter" means a ~~certificate~~ letter issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

(d) "Below-the-line crew position" means a position that handles the technical execution of film production, including camera operators, sound technicians, grips, electricians, and other specialized crafts positions.

~~(d)~~ (e) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

~~(e)~~ (f) "Director" means the director of Explore Minnesota.

~~(f)~~ (g) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

~~(g)~~ (h) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(i) "Key creative role" means a project director, producer, showrunner, editor, actor, writer, director of photography, production designer, cinematographer, or equivalent project role.

(j) "Minnesota script or screenplay production" means a script or screenplay created by a Minnesota resident that is produced into a film.

~~(h)~~ (k) "Project" means a film, including television programming:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least ~~$1,000,000~~ $400,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

~~Television commercials are exempt from the requirement under clause (1).~~

Project also includes a television commercial or Minnesota script or screenplay production for which the taxpayer has expended at least $150,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs and, to the extent practicable, that employs Minnesota residents.

~~(i)~~ (l) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the director, that promotes Minnesota within its presentation in the end credits for the life of the project.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 9. Minnesota Statutes 2025 Supplement, section 116U.27, subdivision 2, is amended to read:

Subd. 2. **Credit allowed.** (a) A taxpayer is eligible for a credit up to ~~25~~ 40 percent of eligible production costs paid in any consecutive 12-month period as described in subdivision 1~~, paragraph (h)~~. A taxpayer may only claim a credit if the taxpayer was issued a credit certificate under subdivision 4.

(b) A taxpayer is eligible for an additional five percent credit totaling up to 45 percent if the project meets the requirements of paragraph (a), and:

(1) employs a Minnesota resident in a key creative role;

(2) films outside of the seven-county metropolitan area, as defined in section 473.121, subdivision 2; or

(3) hires a majority of Minnesota residents in below-the-line crew positions.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 10. Minnesota Statutes 2024, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the director an application for a credit in the form prescribed by the director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the director shall issue allocation ~~certificates~~ letters that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to ~~25~~ 45 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

(c) The director must not issue allocation ~~certificates~~ letters for more than $24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The director must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The director must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the director a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the director, the director shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation ~~certificate~~ letter. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 11. Minnesota Statutes 2024, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By ~~January 15, 2025~~ March 1, 2027, and each year thereafter, the commissioner of revenue, in consultation with the director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credit certifications issued annually;

(2) the number of applications submitted, the number of allocation ~~certificates~~ letters issued, the amount of allocation ~~certificates~~ letters issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses

having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years ~~2019~~ 2027 through ~~2023~~ 2030;

(5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;

(6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, ~~2018~~ 2026, and before January 1, ~~2024~~ 2031; and

(7) any other information the commissioner of revenue, in consultation with the director, deems necessary for purposes of claiming and administering the credit.

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

Sec. 12. Minnesota Statutes 2024, section 290.0132, subdivision 11, is amended to read:

Subd. 11. **National Guard and reserve compensation.** (a) Compensation paid to members of the Minnesota National Guard, the National Guard of a neighboring state, or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program, is a subtraction.

(b) For purposes of this subdivision, ~~"active service" means~~ the following terms have the meanings given:

(1) ~~state active service as defined in section 190.05, subdivision 5a, clause (1)~~ "active service" means:

(i) service or duty on behalf of the state or neighboring states in case of actual or threatened public disaster, war, riot, tumult, breach of the peace, resistance of process, or whenever called upon in aid of state civil authority;

(ii) service or duty under United States Code, title 32, as amended through December 31, 1983, and travel to or from that service or duty; or

(iii) service performed under section 190.08, subdivision 3; and

(2) ~~federally funded state active service as defined in section 190.05, subdivision 5b, and includes service performed under section 190.08, subdivision 3~~ "neighboring state" means North Dakota, South Dakota, Iowa, or Wisconsin.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 13. Minnesota Statutes 2024, section 290.0681, subdivision 3, is amended to read:

Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section, the developer of a project must apply to the office before the rehabilitation begins. The application must contain the information and be in the form prescribed by the office. The office may collect a fee for application of up to 0.5 percent of qualified rehabilitation expenditures, up to $40,000, based on

estimated qualified rehabilitation expenditures, to offset costs associated with personnel and administrative expenses related to administering the credit and preparing the economic impact report in subdivision 9. Application fees are deposited in the account. The application must indicate if the application is for a credit or a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying for the credit or the recipient of the grant.

(b) Upon approving an application for credit, the office shall issue allocation certificates that:

(1) verify eligibility for the credit or grant;

(2) state the amount of credit or grant anticipated with the project, with the credit amount equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated in the application;

(3) state that the credit or grant allowed may increase or decrease if the federal credit the project receives at the time it is placed in service is different than the amount anticipated at the time the allocation certificate is issued; and

(4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or grant recipient is entitled to receive one-fifth of the total amount of either the credit or the grant at the time the project is placed in service, provided that date is within ~~three~~ six calendar years following the issuance of the allocation certificate.

(c) The office, in consultation with the commissioner, shall determine if the project is eligible for a credit or a grant under this section and must notify the developer in writing of its determination. Eligibility for the credit is subject to review and audit by the commissioner.

(d) The federal credit recapture and repayment requirements under section 50 of the Internal Revenue Code do not apply to the credit allowed under this section.

(e) Any decision of the office under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 45 days of the date of written notification by the office.

EFFECTIVE DATE. This section is effective retroactively for projects for which an allocation certificate was issued after June 30, 2021.

Sec. 14. Minnesota Statutes 2024, section 290.0681, subdivision 4, is amended to read:

Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the office has issued an allocation certificate must notify the office when the project is placed in service. Upon verifying that the project has been placed in service, and was allowed a federal credit, the office must issue a credit certificate to the taxpayer designated in the application or must issue a grant to the recipient designated in the application. The credit certificate must state the amount of the credit.

(2) The credit amount equals the federal credit allowed for the project.

(3) The grant amount equals 90 percent of the federal credit allowed for the project.

(b) The recipient of a credit certificate may assign the certificate to another taxpayer before the first one-fifth payment is claimed, which is then allowed the credit under this section or section 297I.20, subdivision 3. Before the payment is claimed but after the first assignment, the first assignee may assign the credit certificate in whole to a second assignee. An assignment is not valid unless the assignee notifies the commissioner within 30 days of the date that the assignment is made. The commissioner shall prescribe the forms necessary for notifying the commissioner of the assignment of a credit certificate and for claiming a credit by assignment. The original credit certificate recipient and each assignee must file a return with the commissioner for the taxable year that the project is placed in service.

(c) Credits passed through to partners, members, shareholders, or owners pursuant to subdivision 5 are not an assignment of a credit certificate under this subdivision.

(d) A grant agreement between the office and the recipient of a grant may allow the grant to be issued to another individual or entity.

EFFECTIVE DATE. This section is effective for applications for allocation certificates submitted after June 30, 2026.

Sec. 15. Minnesota Statutes 2024, section 290.0683, subdivision 1, is amended to read:

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

(b) "Agency" means the Minnesota Housing Finance Agency.

(c) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area.

(d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

~~(c)~~ (e) "Minnesota housing tax credit contribution account" or "account" means the account established in section 462A.40.

~~(d)~~ (f) "Qualified project" means a project that qualifies for a grant or loan under section 462A.40.

~~(e)~~ (g) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer as defined in section 297I.01, subdivision 16.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 16. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

Subd. 3. **Allocation.** (a) To qualify for the credit, a taxpayer must contribute to the Minnesota housing tax credit contribution account. A taxpayer may indicate that a contribution is intended for a specific qualified project, subject to the limitations in paragraph (b). A taxpayer is prohibited from contributing to certain projects as provided in section 462A.40, subdivision 3.

(b) For each taxable year, the agency must reserve 50 percent of credits for contributions to qualified projects located in greater Minnesota. Any portion of a taxable year's credits reserved for

contributions to qualified projects located in greater Minnesota that is not allocated by the agency by September 30 of each year is available for allocation to credit applications for contributions to other qualified projects beginning on October 1.

~~(b)~~ (c) The aggregate amount of tax credits allowed to all eligible contributors is limited to $9,900,000 annually.

~~(c)~~ (d) Within 30 days after a taxpayer contributes to the account, the agency must file with the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer as provided in this paragraph. The agency must send a copy of the credit certificate to the commissioner. If there are insufficient credits to match the contribution, the agency must not issue a credit certificate for the amount of the contribution for which there are insufficient credits, and must return that amount to the taxpayer before issuing any credit certificate.

~~(d)~~ (e) The credit certificate must state the dollar amount of the contribution made by the taxpayer and the date the payment was received by the account, and indicate if the contribution was intended for a specific qualified project.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 17. Minnesota Statutes 2024, section 290.92, is amended by adding a subdivision to read:

Subd. 32. **Nonconformity to certain worker classification rules.** For purposes of employee classification under this section, "Internal Revenue Code" does not include section 530 of Public Law 95-600, as amended.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2026.

Sec. 18. Minnesota Statutes 2024, section 462A.40, subdivision 3, is amended to read:

Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means:

(1) an individual who or an individual whose immediate family member made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) an individual who or an individual whose immediate family member owns the housing for which the grant or loan will be used;

(3) an individual who meets the following criteria:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(4) an individual who meets the following criteria:

(i) the individual directly owns, controls, or holds the power to vote 20 percent or more of the outstanding securities of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(1) made a contribution to the account in the current or prior taxable year and received a credit certificate;

(2) has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(3) meets the following criteria:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(d) For purposes of this subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations in this subdivision apply collectively to the taxpayer and spouse.

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian Tribe or subdivision located in Minnesota; a Tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

(g) Except for projects receiving funding under section 462A.39, eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

ARTICLE 3

PROPERTY TAXES

Section 1. Minnesota Statutes 2024, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage ~~or~~, repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

~~the exception from taxation provided in this clause does not apply to:~~

~~(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or~~

~~(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) except as provided in paragraph (f), property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; ~~or~~

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4~~.~~; or

(7) property owned by a nonprofit conservation organization that is leased, loaned, or otherwise made available to a private individual, corporation, or association for grazing activities that further the nonprofit conservation organization's conservation objectives for the property, as documented in the organization's management or restoration plan.

(c) Except as provided in paragraph (f), the exception from taxation provided in paragraph (b), clause (2), does not apply to:

(1) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(2) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business.

~~(c)~~ (d) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

~~(d)~~ (e) The tax on real property of the federal government, the state or any of its political subdivisions that is leased, loaned, or otherwise made available to a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

(f) Property of an airport that is:

(1) located at an airport owned or operated by a city of over 50,000 but under 150,000 in population according to the most recent federal census or such a city's airport authority;

(2) not owned or operated by the Metropolitan Airports Commission; and

(3) used as a hangar for the storage, repair, or manufacture of aircraft or to provide aviation goods, services, or facilities to the airport or general public, or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area, shall have the tax imposed by this subdivision calculated as follows: for property taxes payable in 2027 through 2038, the net tax capacity of such property shall be reduced by 50 percent.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2027. For assessment year 2026 only, an exemption application under this section must be filed with the county assessor by July 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 272.02, subdivision 101, is amended to read:

Subd. 101. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a city of the first class with a population less than 100,000 as of the 2010 federal census;

(2) was on January 1, 2016, and is for the current assessment, owned by a federally recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota; and

(3) is used exclusively as a medical clinic or for a parking lot used exclusively to serve the medical clinic.

(b) Property that qualifies for the exemption under this subdivision is limited to no more than ~~two contiguous~~ five parcels and structures that do not exceed, in the aggregate, 30,000 square feet. Property acquired for single-family housing, market-rate apartments, agriculture, or forestry does not qualify for this exemption. The exemption created by this subdivision expires with taxes payable in ~~2028~~ 2038.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 3. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 109. **Electric generation facility; personal property.** (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property that are part of an electric generation facility with more than 40 megawatts and less than 50 megawatts of installed capacity and that meet the requirements of this subdivision are exempt from taxation and payments in lieu of taxation. The facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) be located within 1,000 feet of an existing natural gas pipeline;

(4) satisfy a resource deficiency identified in an integrated resource plan filed under section 216B.2422;

(5) be located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(6) have received, by resolution, the approval of the governing bodies of the city and county in which the facility is located for the exemption of personal property provided in this subdivision.

(b) Construction of the facility must have commenced after January 1, 2026, and before January 1, 2030. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2029.

Sec. 4. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to read:

Subd. 110. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

(1) is located in a city with a population greater than 12,400 but less than 12,800 according to the 2020 federal census;

(2) was on January 1, 2026, and is for the current assessment, owned by a federally recognized Indian Tribe, or its instrumentality, that is located within the state; and

(3) is used to store medical clinic equipment and materials.

(b) Property that qualifies for exemption under this subdivision is limited to one parcel. Any portion of the property used for housing, parking facilities, agriculture, or forestry does not qualify for this exemption.

EFFECTIVE DATE. This section is effective beginning with property taxes payable in 2027. For assessment year 2026 only, an exemption application under this section must be filed with the county assessor by July 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

~~(b)(i)~~ (b)(1) Agricultural property shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

~~(1)~~ (i) the agricultural property consists of at least 40 acres including undivided government lots and correctional 40's;

~~(2)~~ (ii) the owner, the owner's spouse, or grandparent, a grandchild, child, stepchild, sibling, ~~or~~ uncle, aunt, nephew, niece, parent, or stepparent of the owner or of the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

~~(3)~~ (iii) both the owner of the agricultural property and the person who is actively farming the agricultural property under ~~clause (2)~~ item (ii), are Minnesota residents;

~~(4)~~ (iv) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

~~(5)~~ (v) neither the owner nor the person actively farming the agricultural property lives ~~farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property~~ outside the county where the agricultural property is located, or lives outside a county that is adjacent to the county where the agricultural property is located.

The relationship under this paragraph may be either by blood or marriage.

~~(ii)~~ (2) Property containing the residence of an owner who owns qualified property under clause ~~(i)~~ (1) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

~~(iii)~~ (3) As used in this paragraph, "agricultural property" means class 2a property and any class 2b property that is contiguous to and under the same ownership as the class 2a property.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, Le Sueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;

(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;

(4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers or individual taxpayer identification numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

(i) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the August 2007 floods;

(2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, or Winona;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2007 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the August 2007 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the owner must notify the assessor by December 1, 2008. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(j) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the March 2009 floods;

(2) the property is located in the county of Marshall;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2008 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 2009 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues

to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 6. Minnesota Statutes 2025 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first $500,000 of market value of class 1a property has a net classification rate of one percent of its market value; and the market value of class 1a property that exceeds $500,000 has a classification rate of 1.25 percent of its market value.

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by:

(1) any person who is blind as defined in section 256D.35, or the person who is blind and the spouse of the person who is blind;

(2) any person who is permanently and totally disabled or by the person with a disability and the spouse of the person with a disability; or

(3) the surviving spouse of a veteran who was permanently and totally disabled homesteading a property classified under this paragraph for taxes payable in 2008.

Property is classified and assessed under clause (2) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph, and that the property is not eligible for the valuation exclusion under subdivision 34.

Property is classified and assessed under paragraph (b) only if the commissioner of revenue or the county assessor certifies that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first $50,000 market value of class 1b property has a net classification rate of 0.45 percent of its market value. The remaining market value of class 1b property is classified as class 1a property, class 2a property, or class 4d(2) property, whichever is appropriate.

(c) Class 1c property is commercial use real and personal property that abuts public water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by the Department of Natural Resources, and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes

a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort, a partner in a partnership that owns the resort, or a member of a limited liability company that owns the resort even if the title to the homestead is held by the corporation, partnership, or limited liability company. For purposes of this paragraph, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. Class 1c property must provide recreational activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; provide marina services, launch services, or guide services; or sell bait and fishing tackle. Any unit in which the right to use the property is transferred to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies for class 1c even though it may remain available for rent. A camping pad offered for rent by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. If the same owner owns two separate parcels that are located in the same township, and one of those properties is classified as a class 1c property and the other would be eligible to be classified as a class 1c property if it was used as the homestead of the owner, both properties will be assessed as a single class 1c property; for purposes of this sentence, properties are deemed to be owned by the same owner if each of them is owned by a limited liability company, and both limited liability companies have the same membership. The portion of the property used as a homestead is class 1a property under paragraph (a). The remainder of the property is classified as follows: the first ~~$600,000~~ $1,500,000 of market value is tier I, the next ~~$1,700,000~~ $3,000,000 of market value is tier II, and any remaining market value is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and seasonal residential occupancy for recreation purposes in which all or a portion of the property was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated as class 1c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located must be designated as class 3a commercial. The owner of property desiring designation as class 1c property must provide guest registers or other records demonstrating that the units for which class 1c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property,

provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same classification rates as class 1a property under paragraph (a).

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 7. Minnesota Statutes 2025 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately surrounding one acre of land has the same classification rates as class 1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier valuation limit of agricultural homestead property has a classification rate of 0.5 percent of market value. The remaining property over the first tier has a classification rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a classification rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be split-classified, and ten acres must be assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled in the sustainable forest management incentive program under chapter 290C, the number of acres assigned to the split parcel improved with a structure that is not a minor, ancillary nonresidential structure must equal three acres or the number of acres excluded from the

sustainable forest incentive act covenant due to the structure, whichever is greater. Class 2b property has a classification rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of ~~chapter 290C~~ section 290C.02, subdivision 7, prepared by an approved plan writer as defined in section 290C.02, subdivision 2, ~~but~~ and is not enrolled in the sustainable forest resource management incentive program. It has a classification rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Notwithstanding any law to the contrary, managed forest land that is otherwise eligible to be classified as class 2c under this paragraph is eligible regardless of whether it is wholly or partially subject to a conservation easement.

(e) Agricultural land as used in this section means:

(1) contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes; or

(2) contiguous acreage used during the preceding year for an intensive livestock or poultry confinement operation, provided that land used only for pasturing or grazing does not qualify under this clause.

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least $50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program

provision, a taxpayer must apply to the assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

"Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion of, a set of contiguous tax parcels under that section that are owned by the same person.

(f) Agricultural land under this section also includes:

(1) contiguous acreage that is less than ten acres in size and exclusively used in the preceding year for raising or cultivating agricultural products;

(2) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for one or more of the following three uses:

(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or

(iii) for intensive market farming; ~~or~~

(3) contiguous acreage that contains a residence and is less than 15 acres in size, if the contiguous acreage inclusive of the house, garage, and surrounding one acre of land was used in the preceding year for market farming and the owner provides the county assessor with the filed federal Schedule F (Form 1040) for the most recent completed tax year that reports gross income of at least $20,000~~.~~; or

(4) contiguous acreage that contains a farm winery licensed under section 340A.315.

For purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated, and "contiguous acreage" means all of a tax parcel as described in section 272.193, or all of a set of contiguous tax parcels under that section that are owned by the same person.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, floriculture, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) aquacultural products for sale and consumption, as defined under section 17.47, if the aquaculture occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised (i) on a game farm licensed under section 97A.105, provided that the annual licensing report to the Department of Natural Resources, which must be submitted annually by March 30 to the assessor, indicates that at least 500 birds were raised or used for breeding stock on the property during the preceding year and that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; ~~and~~

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor~~.~~; and

(9) wine for sale and consumption if production occurs on a farm winery licensed under section 340A.315.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where floricultural, horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of floricultural, horticultural or nursery products from seed, cuttings, or roots and

occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown floricultural, horticultural or nursery products does not qualify as an agricultural purpose.

"Floriculture," for the purposes of this paragraph, includes production of bedding and garden plants, foliage plants, potted flowering plants, and cut flowers.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

EFFECTIVE DATE. This section is effective beginning with assessment year 2027.

Sec. 8. Minnesota Statutes 2024, section 273.13, subdivision 34, is amended to read:

Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, ~~$150,000~~ $175,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, ~~$300,000~~ $350,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal

or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n).

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 31 of the first assessment year for which the exclusion is sought. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) If a veteran did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, or the exclusion under paragraph (b), clause (2), did not exist at the time of the veterans death,

the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application;

(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax relief for veterans with a disability, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

(m) By July 1, the county veterans service officer must certify the disability rating and permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds the legal or beneficial title to the property may continue to receive the exclusion for a property other than the property for which the exclusion was initially granted until the spouse remarries or sells, transfers, or otherwise disposes of the property, provided that:

(1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed under this paragraph;

(2) the spouse holds the legal or beneficial title to the property for which the continuation of the exclusion is sought under this paragraph, and permanently resides there;

(3) the estimated market value of the property for which the exclusion is sought under this paragraph is less than or equal to the estimated market value of the property that first received the exclusion, based on the value of each property on the date of the sale of the property that first received the exclusion; and

(4) the spouse has not previously received the benefit under this paragraph for a property other than the property for which the exclusion is sought.

(o) If a spouse had previously received the exclusion under paragraph (c) or (d) and the exclusion expired prior to taxes payable in 2020, the spouse may reapply under this section for the exclusion under paragraph (c) or (d).

EFFECTIVE DATE. This section is effective beginning with assessment year 2026.

Sec. 9. Minnesota Statutes 2024, section 469.171, subdivision 1, is amended to read:

Subdivision 1. **Authorized types.** (a) The following types of tax reductions or reimbursements may be approved by the commissioner for businesses located in a border city enterprise zone, after the governing body of the border city has designated an area or areas~~, each consisting of at least 100 acres, of the city not in excess of a total of 400 acres~~ in which the tax reductions may be provided:

(1) an exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone if the purchase was made after the date of application for the zone;

(2) a credit against the income tax of an employer for additional workers employed in the zone, other than workers employed in construction, up to a maximum of ~~$3,000~~ $5,000 per employee per year;

(3) an income tax credit for a percentage of the cost of debt financing to construct new or expanded facilities in the zone; ~~and~~

(4) a state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone~~.~~; and

(5) reimbursement of land acquisition costs for business expansion within the zone if the municipality determines that expansion was necessary to prevent relocation outside the state.

(b) An application for a tax reduction or reimbursement under this subdivision may not be approved unless the governing body finds both: (1) that the construction or improvement of the facility is not likely to have the effect of transferring existing employment from a location outside of the municipality but within the state; and (2) that the facility is in compliance with all applicable municipal licensing and municipal regulatory requirements.

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

Sec. 10. Minnesota Statutes 2024, section 469.171, subdivision 4, is amended to read:

Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1) ~~a facility the primary purpose of which is one of the following: the provision of recreation or entertainment, or a private or commercial golf course, country club, massage parlor, tennis club, skating facility including roller skating, skateboard, and ice skating, racquet sports facility, including any handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2)~~ property of a public utility; ~~(3)~~ (2) property used in the operation of a financial institution; ~~(4)~~ or (3) property owned by a fraternal or veterans' organization~~; or (5) a retail food or beverage facility operating under a franchise agreement that requires the business to be located in this state~~.

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

Sec. 11. Minnesota Statutes 2024, section 469.171, subdivision 6a, is amended to read:

Subd. 6a. **Additional border city allocations.** The commissioner may allocate $2,000,000 for tax reductions pursuant to subdivision 9 to border city enterprise zones. This money shall be allocated

among the zones on a per capita basis. Tax reductions authorized by this subdivision may not be allocated to any property which is:

~~(1) a facility the primary purpose of which is one of the following: the provision of recreation or entertainment, or a private or commercial golf course, country club, massage parlor, tennis club, skating facility including roller skating, skateboard, and ice skating, racquet sports facility, including any handball or racquetball court, hot tub facility, suntan facility, or racetrack;~~

~~(2)~~ (1) property of a public utility;

~~(3)~~ (2) property used in the operation of a financial institution; or

~~(4)~~ (3) property owned by a fraternal or veterans' organization~~;~~.

~~(5) property of a retail food or beverage service business operating under a franchise agreement that requires the business to be located in the state.~~

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

Sec. 12. Minnesota Statutes 2024, section 469.1731, subdivision 1, is amended to read:

Subdivision 1. **Designation.** To encourage economic development, to revitalize the designated areas, to expand tax base and economic activity, and to provide job creation, growth, and retention, the following border cities may designate, by resolution, areas of the city as development zones after a public hearing upon 30-day notice.

(a) The city of Breckenridge may designate all or any part of the city as a zone.

(b) The city of Dilworth may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

(c) The city of East Grand Forks may designate all or any part of the city as a zone.

(d) The city of Moorhead may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

(e) The city of Ortonville may designate ~~between one and six areas of the city as zones containing not more than 100 acres in the aggregate~~ all or any part of the city as a zone.

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

Sec. 13. **ONETIME INCREASE IN HOMESTEAD CREDIT REFUND.**

Subdivision 1. **Homestead credit refund.** For claims filed based on taxes payable in 2026, the commissioner shall increase by 12 percent the refund otherwise payable under Minnesota Statutes, section 290A.04, subdivision 2.

Subd. 2. **No notification of appeal rights.** In adjusting homestead credit refunds under this section, the commissioner is not required to provide information concerning appeal rights that

ordinarily must be provided whenever the commissioner adjusts refunds payable under Minnesota Statutes, chapter 290A. Taxpayers retain all rights to appeal adjustments under this section.

Subd. 3. **Appropriation.** The amount necessary to make the payments required under this section is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective only for refunds based on property taxes payable in 2026.

ARTICLE 4

SALES AND USE AND EXCISE TAXES

Section 1. **[295.90] SOCIAL MEDIA CONSUMER DATA COLLECTION TAX.**

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

(b) "Collects" means collects, engages, maintains, uses, processes, or shares.

(c) "Commissioner" means the commissioner of revenue.

(d) "Consumer" means an individual who establishes an account with a social media platform business or who accesses a social media platform through an account registered with a social media platform business and whose consumer data is collected by the social media platform business, regardless of whether the individual is charged for establishing the account.

(e) "Consumer data" means any information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked with a consumer, whether directly submitted to the social media platform business by the consumer or derived from other sources.

(f) "Minnesota consumer" means a consumer who is a resident of Minnesota.

(g) "Resident" has the meaning given in section 290.01, subdivision 7.

(h) "Social media platform" has the meaning given in section 325M.31, paragraph (j).

(i) "Social media platform business" means a for-profit entity that: (1) owns, controls, or operates a social media platform; and (2) collects consumer data in support of the entity's business activities.

Subd. 2. **Tax imposed.** A tax is imposed on social media platform businesses based on the number of Minnesota social media platform consumers from whom a social media platform business collects data within a month:

Minnesota consumers	Tax
Fewer than or equal to 100,000	Zero;
Over 100,000 but not more than 500,000	$0.50 per month on the number of Minnesota consumers over 100,000 but not more than 500,000;

Over 500,000 but not more than 1,000,000	$200,000 plus $0.70 per month on the number of Minnesota consumers over 500,000 but not more than 1,000,000; and
Over 1,000,000	$550,000 plus $0.90 per month on the number of Minnesota consumers over 1,000,000.

Subd. 3. **Business entities.** Business entities that are part of a controlled group of corporations as defined in section 1563(a) of the Internal Revenue Code shall be treated as a single entity for purposes of meeting the definition of a social media platform business under this section. The entities constituting the single taxpayer are jointly and severally liable for the tax.

Subd. 4. **Counting Minnesota consumers.** (a) A Minnesota consumer must be counted only once in the calculation of tax imposed under this section. Until the contrary is established, it is presumed that each account is an individual consumer. The burden of proving that multiple accounts are one consumer is on the social media platform business.

(b) The single member of a single member limited liability company must be treated as a consumer under this section.

(c) Until the contrary is established, it is presumed that a consumer whose information on record with or available to a social media platform business indicates a Minnesota home address, a Minnesota mailing address, or an internet protocol address connected with a Minnesota location is a Minnesota consumer for purposes of this section. The burden of proving that a consumer is not a Minnesota resident is on the social media platform business.

(d) A social media platform business and the commissioner may agree on a methodology for determining the number of Minnesota consumers for purposes of calculating the tax.

Subd. 5. **Credit against tax paid to another jurisdiction.** A social media platform business that has paid tax under this section may claim a credit against the tax paid with respect to a Minnesota consumer if another state imposes an excise tax identical to the tax imposed under this section with respect to the same consumer.

Subd. 6. **Record keeping.** A social media platform business must maintain records necessary to demonstrate compliance with this section or as required by the commissioner.

Subd. 7. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, criminal penalty, enforcement, collection remedy, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A apply to the tax imposed under this section.

Subd. 8. **Returns; payment of tax.** (a) On or before the 20th of the month following the month that tax liability is incurred under subdivision 2, a social media platform business must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner.

(b) A social media platform business that owes tax imposed under this section must file a return in subsequent months until it reports no tax liability for 12 consecutive months.

(c) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 9. **Deposit of revenues.** The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed under this section to the general fund.

Subd. 10. **Personal debt.** The tax imposed under this section, and interest and penalties imposed with respect to the tax, are a personal debt of the person required to file a return from the time that the liability for the tax arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for consumer data collected after December 31, 2026.

Sec. 2. Minnesota Statutes 2024, section 297A.994, subdivision 4, is amended to read:

Subd. 4. **General fund allocations.** ~~(a)~~ The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):

(1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of $150,000,000 has been deposited in the general fund. To determine aggregate present value, the commissioner must consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under Minnesota Statutes 2022, section 16A.965, or the date or dates other state funds, if any, are deposited into the construction fund. The discount rate or rates must be based on the true interest cost of the bonds issued under Minnesota Statutes 2022, section 16A.965, or an equivalent 30-year bond index, as determined by the commissioner of management and budget. The schedule of annual amounts must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city;

(2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 4;

(3) for the operating expense appropriation to the Minnesota Sports Facilities Authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 2;

~~(4) to capture increases in taxes imposed under the special law, for the benefit of the Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar year thereafter~~

~~through 2046, there shall be deposited to the general fund in proportionate periodic payments in the following year, an amount equal to the lesser of:~~

~~(i)(A) 50 percent of the difference, if any, by which the amount of the net annual taxes for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus $1,000,000, inflated at two percent per year since 2011, minus~~

~~(B) 25 percent of the difference, if any, by which the amount of the net annual taxes for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus $3,000,000, inflated at two percent per year since 2011; or~~

~~(ii) the amount of the net annual taxes for the preceding year multiplied by three percent;~~ and

~~(5)~~ (4) if the bonds under Minnesota Statutes 2022, section 16A.965, are defeased, redeemed, or paid in full, the commissioner of management and budget and finance officer of the city must agree to a revised schedule of annual amounts under clause (1). The revised schedule of annual amounts must factor in a discount rate equal to zero percent and otherwise consistent with the methodology previously agreed upon by the parties.

~~(b) The Minnesota Sports Facility Authority must use the amounts available from the deposits under paragraph (a), clause (4), for capital repairs, replacements, and improvements for the stadium and stadium infrastructure.~~

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

Sec. 3. Minnesota Statutes 2024, section 297H.01, subdivision 2, is amended to read:

Subd. 2. **Commercial generator.** "Commercial generator" means any of the following:

(1) an owner or operator of a business, including a home-operated business, industry, church, nursing home, nonprofit organization that does not meet the criteria in subdivision 8, clause (4), school, or any other commercial or institutional enterprise that generates mixed municipal solid waste or nonmixed municipal solid waste; or

(2) any other generator of taxable waste that is not a residential generator defined in subdivision 8. A commercial generator does not include a self-hauler.

EFFECTIVE DATE. This section is effective for waste management services received after June 30, 2026.

Sec. 4. Minnesota Statutes 2024, section 297H.01, subdivision 8, is amended to read:

Subd. 8. **Residential generator.** "Residential generator" means any of the following:

(1) a detached single family residence that generates mixed municipal solid waste or nonmixed municipal solid waste;

(2) a person residing in a building or site containing multiple residences that generates mixed municipal solid waste, including apartment buildings, common interest communities, or manufactured home parks, where each residence is separately billed by the waste service provider;

(3) an owner of a building or site containing multiple residences or an association representing residences that generate mixed municipal solid waste or nonmixed municipal solid waste, including apartment buildings, condominiums, manufactured home parks, or townhomes where no residence is separately billed for such service by the waste management service provider and the owner or association is billed directly for the waste management services. A residential generator does not include a self-hauler~~.~~; or

(4) an organization exempt under section 501(c)(3) of the Internal Revenue Code whose primary mission is to receive donations for resale that receives donations for resale from a person or an entity listed in clauses (1) to (3).

EFFECTIVE DATE. This section is effective for waste management services received by a residential generator after June 30, 2026.

Sec. 5. Minnesota Statutes 2024, section 428B.02, subdivision 4, is amended to read:

Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a service charge on a business pursuant to this chapter for the purpose of providing activities and improvements that will provide benefits to a business that is located within the tourism improvement district and subject to the tourism improvement district service charge. Each business paying a service charge within a district must benefit directly or indirectly from improvements provided by a tourism improvement association, provided, however, the business need not benefit equally. Service charges must be based on a percent of gross business revenue, a fixed dollar amount per transaction, or any other reasonable method based upon benefit and approved by the municipality. A business may, but is not required to, collect the service charge imposed by this section from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the service charge is excluded from the sales price for purposes of the tax imposed under chapter 297A.

(b) Service charges may be used to cover the costs of collections, as well as other administrative costs associated with operating, forming, or maintaining the district.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after June 30, 2025.

Sec. 6. Laws 2023, chapter 64, article 5, section 25, subdivision 1, is amended to read:

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water treatment plant and trunk water main improvements in the city of Ramsey are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2022, and before July 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, ~~subdivision~~ subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2023~~, and before July 1, 2027~~.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2022, and before July 1, 2027.

Sec. 7. **BROWERVILLE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the following projects in Independent School District No. 787, Browerville Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 1, 2023, and before January 1, 2026:

(1) renovations to the prekindergarten through grade 12 school building; and

(2) construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 1, 2023, and before January 1, 2026.

Sec. 8. **CITY OF WOODBURY; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a water treatment facility and water tower, including water pipeline infrastructure and associated improvements funded by the city of Woodbury are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after January 31, 2024, and before December 1, 2028.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivisions 1 and 1a, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the general fund to the commissioner of revenue.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after January 31, 2024, and before December 1, 2028.

ARTICLE 5

LOCAL SALES AND USE AND SPECIAL TAXES

Section 1. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

Sec. 44. **DOWNTOWN TAXING AREA.**

If a bill is enacted into law in the 1986 legislative session which authorizes the city of Minneapolis to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities, which authorizes certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions of that law "downtown taxing area" shall mean the geographic area bounded by the portion of the Mississippi River between I-35W and Washington Avenue, the portion of Washington Avenue between the river and I-35W, the portion of I-35W between Washington Avenue and 8th Street South, the portion of 8th Street South between I-35W and Portland Avenue South, the portion of Portland Avenue South between 8th Street South and I-94, the portion of I-94 from the intersection of Portland Avenue South to the intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North, the portion of ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North from I-94 to ~~Main Street~~ the Mississippi River, from Plymouth Avenue North and the Mississippi River south to the Burlington Northern Railroad tracks and including Nicollet Island, and the portion of Main Street from Burlington Northern Railroad tracks to Hennepin Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank Street between 2nd Street S.E. and University Avenue S.E., and the portion of University Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E., to the river. The downtown taxing area excludes the area bounded on the south and west by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street. The downtown taxing area also excludes any property located in a zone that is contained in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with a wine license is operated.

EFFECTIVE DATE. This section is effective for sales and purchases made after September 30, 2026.

Sec. 2. Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended by Laws 1997, chapter 231, article 7, section 40, Laws 1998, chapter 389, article 8, section 30, Laws 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session chapter 3, article 5, section 26, Laws 2009, chapter 88, article 4, section 15, and Laws 2013, chapter 143, article 8, section 44, is amended to read:

Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1 may only be used by the city to pay the cost of collecting the tax, and, except as provided in paragraph (e), to pay for the following projects or to secure or pay any principal, premium, or interest on bonds issued in accordance with subdivision 3 for the following projects.

(a) To pay all or a portion of the capital expenses of construction, equipment and acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex, including the ~~demolition of the existing arena and the~~ construction, renovation, betterment, and equipping of ~~a new~~ the existing arena.

(b) Except as provided in paragraphs (e) and (f), the remainder of the funds must be spent for:

(1) capital projects to further residential, cultural, commercial, and economic development in both downtown St. Paul and St. Paul neighborhoods; and

(2) capital and operating expenses of cultural organizations in the city, provided that the amount spent under this clause must equal ten percent of the total amount spent under this paragraph in any year.

(c) The amount apportioned under paragraph (b) shall be no less than 60 percent of the revenues derived from the tax each year, except to the extent that a portion of that amount is required to pay debt service on (1) bonds issued for the purposes of paragraph (a) prior to March 1, 1998; or (2) bonds issued for the purposes of paragraph (a) after March 1, 1998, but only if the city council determines that 40 percent of the revenues derived from the tax together with other revenues pledged to the payment of the bonds, including the proceeds of definitive bonds, is expected to exceed the annual debt service on the bonds.

(d) If in any year more than 40 percent of the revenue derived from the tax authorized by subdivision 1 is used to pay debt service on the bonds issued for the purposes of paragraph (a) and to fund a reserve for the bonds, the amount of the debt service payment that exceeds 40 percent of the revenue must be determined for that year. In any year when 40 percent of the revenue produced by the sales tax exceeds the amount required to pay debt service on the bonds and to fund a reserve for the bonds under paragraph (a), the amount of the excess must be made available for capital projects to further residential, cultural, commercial, and economic development in the neighborhoods and downtown until the cumulative amounts determined for all years under the preceding sentence have been made available under this sentence. The amount made available as reimbursement in the preceding sentence is not included in the 60 percent determined under paragraph (c).

(e) If the amount necessary to meet obligations under paragraphs (a) and (d) are less than 40 percent of the revenue from the tax in any year, the city may place the difference between 40 percent of the revenue and the amounts allocated under paragraphs (a) and (d) in an economic development fund to be used for any economic development purposes.

(f) ~~By January 15 of each year~~ Beginning January 15, 2027, and every other year thereafter, the mayor and the city council must report to the ~~legislature~~ chairs and ranking minority members of the legislative committees with jurisdiction over taxes on the use of sales tax revenues during the preceding one-year period.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. Laws 1993, chapter 375, article 9, section 46, subdivision 2b, as added by Laws 2023, chapter 64, article 10, section 3, is amended to read:

Subd. 2b. **Use of revenues.** (a) The revenues derived from the tax authorized under subdivision 1a must be used by the city of St. Paul to pay the costs of collecting and administering the tax and to finance all or part of the following projects in the city, including securing and paying debt service on bonds issued under subdivision 3a:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a), clause (2), and (d), $738,000,000, plus associated bonding costs for improvements to:

(i) streets; and

(ii) bridges; and

(2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, ~~paragraph~~ paragraphs (a), clause (2), (c), and (d), $246,000,000, plus associated bonding costs for capital improvements to St. Paul parks and recreation facilities.

(b) The city must adopt an amended resolution authorizing use of the revenues from the tax authorized under subdivision 1a for the use listed in paragraph (a), clause (1), item (ii). The city must submit the resolution to the state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1a must not be used for, the purpose specified in paragraph (a), clause (1), item (ii).

EFFECTIVE DATE. This section is effective retroactively from May 24, 2023, without local approval, pursuant to Minnesota Statutes, section 645.023, subdivision 1.

Sec. 4. Laws 1993, chapter 375, article 9, section 46, subdivision 3, as amended by Laws 1998, chapter 389, article 8, section 31, and Laws 2005, First Special Session chapter 3, article 5, section 27, is amended to read:

Subd. 3. **Bonds.** The city may issue general obligation bonds or special revenue bonds to finance all or a portion of the cost for projects authorized in subdivision 2, paragraph (a) or (b). The debt represented by the bonds shall not be included in computing any debt limitations applicable to the city. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1, any revenues derived from the project, tax increments from the tax increment district that includes the project, and revenue from any lodging tax imposed under Laws 1982, chapter 523, article 25, section 1. The bonds may be issued in one or more series and sold without election on the question of issuance of the bonds or a property tax to pay them. Except as otherwise provided in this section, the bonds must be issued, sold, and secured in the manner provided in Minnesota Statutes, chapter 475. The aggregate principal amount of bonds issued under this subdivision for projects authorized in subdivision 2, paragraph (a), may not exceed ~~$65 million~~ $275,000,000, provided that the city may issue additional bonds under this subdivision for projects authorized in subdivision 2, paragraph (a), as long as the total principal amount of the additional bonds together with the outstanding principal amount of the bonds previously issued under this subdivision for projects authorized in subdivision 2, paragraph (a), does not exceed ~~$130 million~~ $325,000,000. The bonds authorized by this subdivision shall not be included in local general obligation debt as defined in Laws 1971, chapter 773, as amended, including Laws 1992, chapter 511, and shall not affect the amount of capital improvement bonds authorized to be issued by the

city of St. Paul. Bonds to pay for projects authorized in subdivision 2, paragraph (b), may be issued if the city council first determines that 20 percent of the revenues derived from the tax authorized under section 1 together with other revenues pledged to payment of the bonds, including the proceeds of definitive bonds, is expected to exceed the annual debt service on the bonds.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by Laws 1998, chapter 389, article 8, section 32, Laws 2013, chapter 143, article 8, section 45, and Laws 2023, chapter 64, article 10, section 5, is amended to read:

Subd. 5. **Expiration of taxing authority.** (a) The authority granted by subdivision 1 to the city to impose a sales tax shall expire on December 31, ~~2042~~ 2061, or at an earlier time as the city shall, by ordinance, determine. Any funds remaining after completion of projects approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or other obligations may be placed in the general fund of the city.

(b) The tax imposed under subdivision 1a expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 2b for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. Laws 1996, chapter 471, article 2, section 30, subdivision 5, as amended by Laws 2009, chapter 88, article 4, section 17, is amended to read:

Subd. 5. **Expiration of taxing authority.** The tax imposed under subdivision 1 expires ~~30 years after it first becomes effective~~ on July 1, 2056.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Little Falls and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. Laws 1998, chapter 389, article 8, section 36, is amended to read:

Sec. 36. **CITY OF ST. PAUL; USE OF SALES TAX REVENUES.**

The revenue derived from the sales tax imposed by the city of St. Paul under Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter 231, article 7, section 40, that is distributed to the city's cultural STAR program must be awarded through a grant or loan review process as provided in this section. Eighty percent of the revenue collected annually must be ~~annually~~ awarded to nonprofit arts organizations, libraries, and museums that are located in the designated cultural district of downtown St. Paul, and the remaining 20 percent may be awarded to businesses in the cultural district for projects which enhance visitor enjoyment of the district, or to nonprofit arts organizations, libraries, and museums located in St. Paul but outside of the cultural district. Grants or loans may be used for capital improvements. The restrictions in this section apply to all STAR cultural funds expended for projects approved after June 30, 1998.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Laws 1998, chapter 389, article 8, section 37, subdivision 2, as amended by Laws 2002, chapter 377, article 3, section 21, is amended to read:

Subd. 2. **Appointment of members.** ~~The citizen review panel consists of three residents from each of the seven city council wards, for a total of 21 members.~~ The mayor must appoint the members, and the appointments are subject to confirmation by a majority vote of the city council. Members serve for a term of four years. Elected officials and employees of the city are ineligible to serve as members of the panel.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 9. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Albert Lea may extend the sales and use tax of one-half percent authorized under subdivision 1 for the purposes specified in subdivision 2a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax imposed under any other special law.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Albert Lea and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 10. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23, and Laws 2017,

First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 2a. **Use of revenues; additional projects.** The revenues derived from the tax authorized under subdivision 1a must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d), $20,000,000 for water quality improvements for the Shell Rock Watershed District;

(2) $9,300,000 for the expansion, improvement, and equipping of the Songbird Trail;

(3) $4,500,000 for the expansion, improvement, and equipping of the Albert Lea Public Library;

(4) $4,700,000 for the Snyder Field Complex, including the expansion, improvement, and equipping of the Snyder Field Recreation Area; and

(5) $1,500,000 for acquisition, construction, improvement, and equipping of Miracle Field at Edgewater Park.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Albert Lea and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 11. Laws 2005, First Special Session chapter 3, article 5, section 38, as amended by Laws 2006, chapter 259, article 3, section 6, Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, sections 12 and 13, is amended by adding a subdivision to read:

Subd. 3a. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2a and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $40,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1a. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Albert Lea and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 12. Laws 2005, First Special Session chapter 3, article 5, section 38, subdivision 4, as amended by Laws 2014, chapter 308, article 3, section 23, and Laws 2017, First Special Session chapter 1, article 5, section 13, is amended to read:

Subd. 4. **Termination of taxes.** (a) The taxes imposed under ~~this section~~ subdivision 1 expire at the earlier of (1) 30 years after the taxes are first imposed, or (2) when the city council first determines that the amount of revenues raised to pay for the projects under subdivision 2, shall meet or exceed the sum of $30,000,000. Any funds remaining after completion of the projects may be placed in the general fund of the city.

(b) The tax imposed under subdivision 1a expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount of revenues received from the tax is sufficient to pay for the project costs authorized under subdivision 2a for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Albert Lea and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 13. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Austin may extend the sales and use tax of one-half percent authorized under subdivision 1 for the purpose specified in subdivision 2a. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 2a. **Use of sales and use tax revenues.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 2, paragraph (d), and 3, paragraph (b), the revenues derived from the extension of the tax authorized under subdivision 1a must be used by the city to pay the costs of collecting and administering the tax, and to finance up to $28,000,000, plus associated bonding costs, for the

following, in connection with a law enforcement center: (1) the previous purchase of land; (2) utility, site work, and design services; and (3) construction.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 15. Laws 2006, chapter 259, article 3, section 9, is amended by adding a subdivision to read:

Subd. 3a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds authorized under subdivision 3, the city may issue bonds under Minnesota Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may not exceed $28,000,000 for the project listed in subdivision 2a, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 16. Laws 2006, chapter 259, article 3, section 9, subdivision 4, is amended to read:

Subd. 4. **Termination of tax.** (a) The tax authorized under subdivision 1 terminates at the earlier of:

(1) 20 years after the date of initial imposition of the tax; or

(2) when the Austin City Council determines that the amount described in subdivision 2 has been received from the tax to finance the capital and administrative costs for the projects specified in subdivision 2, and to repay or retire at maturity, the principal, interest, and premium due on any bonds issued for the projects under subdivision 3.

Any funds remaining after completion of the projects specified in subdivision 2, and retirement or redemption of the bonds in subdivision 3, may be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

(b) The tax extended under subdivision 1a expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the city determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2a, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 17. Laws 2006, chapter 259, article 3, section 10, subdivision 3, as amended by Laws 2014, chapter 308, article 3, section 24, is amended to read:

Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized by subdivisions 1 and 2 must be used to pay the cost of collecting and administering the tax and to finance the acquisition and betterment of water and wastewater facilities to serve the cities of Brainerd and Baxter, building and equipping a fire substation, as approved by the voters at the referendum authorizing the tax. Authorized costs include, but are not limited to, acquiring property and paying construction and engineering costs related to the projects.

(b) In addition to the projects authorized in paragraph (a), the city of Baxter may, if approved by the voters at an election under subdivision 5, paragraph (b), allocate up to an additional $40,000,000 of the revenues received from the taxes authorized by subdivisions 1 and 2 to a capital infrastructure fund. Money from this fund may only be used to finance (1) sanitary sewer, storm sewer, and water projects, (2) transportation safety improvements, and (3) improvements to the Brainerd Lakes Area Airport.

(c) In addition to the projects authorized in paragraphs (a) and (b), the city of Baxter may, if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, allocate the revenues received from the taxes authorized by subdivisions 1 and 2 to pay for projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects, including property acquisition:

(1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a), clauses (4) and (5), and (d), $67,000,000 for upgrades and improvements to the water and wastewater utility systems; and

(2) $10,000,000 for construction of a new public safety facility.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Baxter and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 18. Laws 2006, chapter 259, article 3, section 10, subdivision 4, as amended by Laws 2014, chapter 308, article 3, section 25, is amended to read:

Subd. 4. **Bonds.** (a) The city of Baxter, pursuant to the approval of the voters at the November 2, 2004, referendum authorizing the imposition of the taxes in this section, may issue general obligation bonds of the city, in one or more series, in the aggregate principal amount not to exceed

$15,000,000 to finance the projects listed in subdivision 3, paragraph (a). The debt represented by the bonds is not included in computing any debt limitations applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds is not subject to any levy limitation or included in computing or applying any levy limitation applicable to the city of Baxter.

(b) The city of Baxter, pursuant to the approval of the voters at the 2014 general election to extend the tax under this section, may issue general obligation bonds of the city, in one or more series, in the aggregate principal amount not to exceed (1) $32,000,000 plus an amount equal to the costs of issuance of the bonds to finance the projects listed in subdivision 3, paragraph (b), clauses (1) and (2), and (2) $8,000,000 plus an amount equal to the costs of the issuance of the bonds to finance the project listed in subdivision 3, paragraph (b), clause (3). The debt represented by the bonds is not included in computing any debt limitations applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds is not subject to any levy limitation or included in computing or applying any levy limitation applicable to the city of Baxter.

(c) The city of Baxter may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 3, paragraph (c), and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued for this purpose must not exceed $77,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be issued as general obligations of the city and may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61. The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Baxter and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 19. Laws 2006, chapter 259, article 3, section 10, subdivision 5, as amended by Laws 2014, chapter 308, article 3, section 26, is amended to read:

Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire at the earlier of a date 12 years after the imposition of the tax or when the Baxter City Council first determines that the amount of revenues raised from the taxes to pay for the projects under subdivision 3 equals or exceeds $15,000,000 plus any interest on bonds issued for the projects under subdivision 4, paragraph (a). Any funds remaining after the expiration of the taxes and retirement of the bonds shall be placed in a capital project fund of the city of Baxter. The taxes imposed under subdivisions 1 and 2 may expire at an earlier time if the city of Baxter so determines by ordinance.

(b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Baxter may, by ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination date in paragraph (a) if approved by the voters of the city at a general election held in 2014. The question put to the voters must indicate

that an affirmative vote would extend the imposition of the taxes through 2037 or until an additional $40,000,000, plus an amount equal to interest and issuance costs associated with bonds issued under subdivision 4, paragraph (b), above the initial amount authorized to pay for $15,000,000 in bonds and associated bond cost and projects, listed in subdivision 3, paragraph (a), is raised. If extended under this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier of (1) when an additional $40,000,000, plus an amount equal to interest and issuance costs associated with bonds issued under subdivision 4, paragraph (b), above the amount authorized under paragraph (a), is raised, or (2) December 31, 2037.

(c) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, the city of Baxter may, by ordinance, extend the taxes authorized under subdivisions 1 and 2 beyond the termination date in paragraph (a) if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraphs (a) and (b). If extended under this paragraph, the taxes authorized in subdivisions 1 and 2 will terminate at the earlier of: (1) when an additional $77,000,000, plus an amount equal to interest and issuance costs associated with bonds issued under subdivision 4, paragraph (c), above the amount authorized under paragraphs (a) and (b), is raised; or (2) 20 years after the tax is extended.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Baxter and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 20. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 1, is amended to read:

Subdivision 1. **Sales and use tax authorization.** (a) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and as approved by the voters at the November 6, 2018, general election, the city of Elk River may impose, by ordinance, a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

(b) If approved by the voters at a general election pursuant to Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), the city must use the revenues derived from the tax authorized under paragraph (a) for the purpose specified in subdivision 2a.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Elk River and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 21. Laws 2019, First Special Session chapter 6, article 6, section 17, is amended by adding a subdivision to read:

Subd. 2a. **Use of revenues.** In addition to the uses authorized under subdivision 2, the revenues derived from the tax authorized under subdivision 1 must be used by the city of Elk River to finance up to $20,000,000, plus associated bonding costs, for bonds issued under subdivision 3 for construction of a new fire station. The project authorized under this subdivision does not extend the termination requirements in subdivision 4.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Elk River and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 22. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 3, is amended to read:

Subd. 3. **Bonding authority.** (a) The city of Elk River may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the ~~project~~ projects authorized in ~~subdivision~~ subdivisions 2 and 2a. The aggregate principal amount of bonds issued under this subdivision may not exceed ~~$35,000,000~~ $55,000,000, plus an amount applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Elk River, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Elk River and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. Laws 2019, First Special Session chapter 6, article 6, section 17, subdivision 4, is amended to read:

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that the city has received ~~$35,000,000~~ $55,000,000 from this tax to fund the projects listed in ~~subdivision~~ subdivisions 2 and 2a plus an amount sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of the termination under section 297A.99 shall be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Elk River and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 24. Laws 2019, First Special Session chapter 6, article 6, section 28, is amended by adding a subdivision to read:

Subd. 1a. **Sales and use tax authorization; modification and voter approval.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, the modifications to bonding authority in subdivision 3 and the amount of tax that may be collected before the termination of taxes in subdivision 4 are effective if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a).

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 25. Laws 2019, First Special Session chapter 6, article 6, section 28, subdivision 3, is amended to read:

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed ~~$10,000,000~~ $15,000,000 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 26. Laws 2019, First Special Session chapter 6, article 6, section 28, subdivision 4, is amended to read:

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the earlier of: (1) December 31, 2045; or (2) when the city council determines that ~~$10,000,000~~ $15,000,000 has been received from the tax to pay for the cost of the projects authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 27. Laws 2021, First Special Session chapter 14, article 8, section 5, subdivision 2, as amended by Laws 2023, chapter 64, article 10, section 17, is amended to read:

Subd. 2. **Use of sales and use tax revenues; requirements.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city of Edina to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $17,700,000 plus associated bonding costs for development of Fred Richards Park as identified in the Fred Richards Park Master Plan; ~~and~~

(2) ~~$53,300,000~~ $56,300,000 plus associated bonding costs for improvements to Braemar ~~Park~~ Ice Arena as identified in the Braemar Park Master Plan~~.~~;

(3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $35,000,000 plus associated bonding costs for design and construction of new public safety facilities;

(4) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $6,000,000 plus associated bonding costs for tenant improvements to the Edina Art Center;

(5) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $8,000,000 plus associated bonding costs for a capital improvement plan for the Edina Aquatic Center; and

(6) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), clauses (1) to (4), $4,000,000 plus associated bonding costs for design of the Braemar Golf Course Clubhouse.

(b) Use of tax revenues for the projects listed in paragraph (a), clauses (3) to (6), is subject to voter approval at the November 3, 2026, general election.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 28. Laws 2021, First Special Session chapter 14, article 8, section 5, subdivision 3, as amended by Laws 2023, chapter 64, article 10, section 17, is amended to read:

Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed: (1) $17,700,000 for the project listed in subdivision 2, paragraph (a), clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds; ~~and~~ (2) ~~$53,300,000~~ $56,300,000 for the project listed in subdivision 2, paragraph (a), clause (2), plus an amount to be applied to the payment of the costs of issuing the bonds; (3) $35,000,000 for the project listed in subdivision 2, paragraph (a), clause (3), plus an amount to be applied to the payment of the costs of issuing the bonds; (4) $6,000,000 for the project listed in subdivision 2, paragraph (a), clause (4), plus an amount to be applied to the payment of the costs of issuing the bonds; (5) $8,000,000 for the project listed in subdivision 2, paragraph (a), clause (5), plus an amount to be applied to the payment of the costs of issuing the bonds; and (6) $4,000,000 for the project listed in subdivision 2, paragraph (a), clause (6), plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 29. **CITY OF ALEXANDRIA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Alexandria may impose by ordinance a sales and use tax of up to one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $30,000,000, plus associated bonding costs, for the expansion and renovation of the PrimeWest Health Runestone Community Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $30,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Alexandria and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 30. **CITY OF AUDUBON; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Audubon may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax imposed under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $3,000,000, plus associated bonding costs, for construction of a new fire station.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $3,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Audubon and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 31. **CITY OF BLAINE; RESTAURANT, LODGING, AND ADMISSIONS TAXES AUTHORIZED.**

Subdivision 1. **Scope.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Blaine may, by ordinance, impose one or more taxes authorized under subdivision 3 on sales transactions occurring within or into the boundaries of the taxing area.

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

(1) "city" means the city of Blaine;

(2) "tax" means a tax imposed under this special law and authorized under subdivision 3; and

(3) "taxing area" means the geographic area within the city known as the 105th Redevelopment Area as identified in the city's zoning ordinance and zoning map.

Subd. 3. **Taxes authorized.** (a) The city may by ordinance impose one or more of the following taxes:

(1) a tax of not more than three percent on the gross receipts of all food and beverages sold by a restaurant or place of refreshment, as defined by city ordinance, located within the taxing area, including retail on-sale of intoxicating liquor and fermented malt beverages and all sales of food primarily for consumption on or off the premises;

(2) a tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the taxing area by a hotel or motel that has more than 50 rooms available for lodging. The tax imposed under this clause is in addition to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed under that section and this provision must not exceed six percent; and

(3) a tax of not more than three percent on the gross receipts from the furnishing for consideration of the privilege of admission to places of amusement or athletic events located within the taxing area and the privilege of use of amusement devices located within the taxing area.

(b) The taxes must be imposed and may be adjusted periodically by the city council so that the rates imposed produce revenue sufficient to finance the purposes described in subdivision 4, but the tax rate may not increase by more than one percentage point over the rates first imposed by ordinance.

Subd. 4. **Use of revenues.** The city must use the revenues received from the taxes only for initial and ongoing financing of capital improvements within the taxing area as provided in this subdivision. The city may use the revenues to:

(1) pay or secure the payment of any principal of, premium on, or interest on bonds issued in accordance with this section;

(2) pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the facilities and capital improvements, including financing costs related to them; and

(3) maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

Subd. 5. **Bond authority.** The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the development and construction projects located within the taxing area. The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

Subd. 6. **Collection and enforcement.** The commissioner of revenue and the city may enter into an agreement to provide for the collection of the taxes by the state on behalf of the city. The taxes are subject to the same interest, penalties, and enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

Subd. 7. **Termination of taxes.** The taxes authorized by this section must not be terminated before January 1, 2055.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Blaine and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 32. **CITY OF CALEDONIA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, paragraphs (a) to (c), and 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Caledonia may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $1,600,000, plus associated bonding costs and interest, for construction of a Public Safety Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $1,600,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds

is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) ten years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Caledonia and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 33. **CITY OF CHAMPLIN; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Champlin may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The city must use the revenues derived from the tax authorized under subdivision 1 to pay the costs of collecting and administering the tax and to finance up to $18,000,000, plus associated bonding costs, for construction of a new indoor athletic facility.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Champlin and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 34. **CLOQUET AREA FIRE DISTRICT; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters within the Cloquet Area Fire District at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the Cloquet Area Fire District may impose by majority vote of the governing body of the district a sales and use tax of up to one-half of one percent for the purpose specified in subdivision 2.

(b) Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. In accordance with Minnesota Statutes, section 297A.99, subdivision 11, the commissioner of revenue must remit the proceeds of the tax, less refunds and a proportionate share of the cost of collection, to the Cloquet Area Fire District. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the Cloquet Area Fire District to pay the costs of collecting and administering the tax, and to finance up to $18,609,000 for the construction of Ambulance and Fire Station I for the district, as well as securing and paying debt service on bonds issued to finance all or part of this project.

Subd. 3. **Bonding authority.** (a) The Cloquet Area Fire District may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,609,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the Cloquet Area Fire District, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the Cloquet Area Fire District. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first authorized, or (2) when the Cloquet Area Fire District determines that the amount received from the tax is sufficient to pay for the project cost authorized under subdivision 2 if approved by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the district. The tax authorized under subdivision 1 may expire at an earlier time if the governing body of the district so determines.

EFFECTIVE DATE. This section is effective the day after the governing body of the Cloquet Area Fire District and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 35. **CITY OF COON RAPIDS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Coon Rapids may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the projects:

(1) $40,000,000 for renovation and expansion of the police department and city center facility, including the city hall and civic center; and

(2) $40,000,000 for the construction of a new community center and expansion of the Coon Rapids Ice Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $80,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision

1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 25 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Coon Rapids and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 36. **DOUGLAS COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Douglas County may impose by ordinance a sales and use tax of up to one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $18,500,000, plus associated bonding costs, for the construction of a new library.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $18,500,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) ten years after the tax is first imposed, or (2) when the county board determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Douglas County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 37. **CITY OF FOREST LAKE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Forest Lake may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $50,000,000, plus associated bonding costs, for construction of a new public works facility.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $50,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is

not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Forest Lake and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 38. **ISANTI COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Isanti County may impose, by ordinance, a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax, and to finance up to $25,000,000 for construction of the new highway department facility, as well as the associated bond costs for any bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $25,000,000, plus an amount applied to the payment of costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax authorized under subdivision 1 expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that it has received from this tax $25,000,000 to fund the project listed in subdivision 2, plus an amount sufficient to pay costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax authorized under subdivision 1 may expire at an earlier time if the county determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Isanti County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 39. **CITY OF LANESBORO; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Lanesboro may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $500,000 for rehabilitation and improvements to Sylvan Park.

Subd. 3. **Bonding authority.** (a) The city of Lanesboro may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $500,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) five years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus

an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Lanesboro and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 40. **CITY OF MAPLEWOOD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Maplewood may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $25,000,000 for the East Metro Public Safety Training Facility; and

(2) $48,000,000 for the Maplewood Community Center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $73,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as

required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Maplewood and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 41. **CITY OF MINNETONKA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Minnetonka may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $13,000,000 for the new construction of Fire Station 2;

(2) $17,600,000 for the new construction of Fire Station 3; and

(3) $35,000,000 for renovations to The Marsh health and wellness center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $65,600,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 42. **CITY OF NORTHFIELD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Northfield may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and to pay or finance the costs of the following projects, plus costs of issuance and debt service on associated bonds:

(1) $2,800,000 for the acquisition, rehabilitation, and betterment of the Northfield Public Library;

(2) $2,800,000 for the acquisition, rehabilitation, and betterment of the Northfield Community Resource Center; and

(3) $7,500,000 for the acquisition and betterment of interconnected city Riverfront Parks.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $13,100,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be issued as general obligations of the city and may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Northfield and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 43. **CITY OF OAK PARK HEIGHTS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a) and (b), or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Oak Park Heights may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay for the following projects in the city, including the costs of collecting and administering the tax and securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $13,000,000 for water main infrastructure improvements;

(2) $3,000,000 for water tower infrastructure improvements; and

(3) $25,000,000 for a perfluoroalkyl and polyfluoralkyl substances (PFAS) removal water treatment facility.

(b) The city must adopt an amended resolution in support of the use of revenues from the tax authorized under subdivision 1 for the uses listed in paragraph (a). The resolution must include the components of the resolution required under Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), for each project listed in paragraph (a). The city must submit the resolution to the

state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1 must not be used for, the purposes specified in paragraph (a).

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the water infrastructure facilities and systems authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $41,000,000 for the projects listed in subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city of Oak Park Heights, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Oak Park Heights and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after being first imposed, or (2) when the city council determines that $41,000,000 has been received from the tax to fund the project authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Oak Park Heights and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 44. **CITY OF OSSEO; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (b), or 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Osseo may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section,

the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, including securing and paying debt service on bonds issued to finance all or part of the following projects:

(1) $7,000,000 for the Boerboom Park Community Center Hub Project; and

(2) $3,000,000 for the City Hall Renovations Project, including the renovation and betterment of city hall and associated infrastructure as part of the City Campus Project.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $10,000,000 for the projects listed in subdivision 2, plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city of Osseo, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city of Osseo, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Osseo and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 45. **CITY OF OWATONNA; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Owatonna may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance $75,000,000, plus associated bonding costs, for the construction of a community center.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $75,000,000 for the projects listed in subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

(b) The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1 and the full faith and credit of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(c) The bonds are not included in computing any debt limitation applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 25 years after being first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Owatonna and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 46. **CITY OF PLYMOUTH; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required

under Minnesota Statutes, section 297A.99, subdivision 3, the city of Plymouth may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $55,000,000 for expansion and renovation of the Plymouth Ice Center;

(2) $55,000,000 for expansion of the Plymouth Community Center Fieldhouse; and

(3) $25,000,000 for the Four Seasons Regional Sports Complex.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $135,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 47. **CITY OF ROBBINSDALE; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Robbinsdale may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance up to $40,000,000, plus associated bonding costs, for the Public Works Facility Project.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $40,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Robbinsdale and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 48. **CITY OF ROSEAU; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Roseau may impose by

ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax imposed under this subdivision is in addition to any local sales and use tax authorized under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Roseau to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $4,300,000 for renovation of the Roseau Memorial Arena; and

(2) $8,200,000 for the construction of a new community and wellness center.

Subd. 3. **Bonding authority.** (a) The city of Roseau may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $12,500,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Roseau and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 49. **SHERBURNE COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, sections 297A.99, subdivision 2, paragraph (b); 477A.016; or any other law or ordinance, and if approved

by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Sherburne County may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $75,000,000, plus associated bonding costs, for a law enforcement center, which includes a jail.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $75,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the county determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Sherburne County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 50. **CITY OF ST. CLOUD; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of St. Cloud may impose by ordinance a sales and use tax of up to one-quarter percent for the purposes specified in subdivision

2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and:

(1) to finance up to $7,000,000, plus associated bonding costs, for an outdoor water park adjacent to the St. Cloud Aquatics Center; or

(2) to otherwise fund up to $7,000,000 for an outdoor water park adjacent to the St. Cloud Aquatics Center.

Subd. 3. **Bonding authority; voter approval.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed $7,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

(c) Voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), applies regardless of whether the city issues bonds under paragraph (a) or otherwise funds the project authorized in subdivision 2.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) three years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus, if applicable, an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of St. Cloud and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 51. **CITY OF TAYLORS FALLS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Taylors Falls may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and paying for the following projects in the city, plus associated costs related to the issuance of bonds used to finance all or part of the following projects:

(1) $600,000 for community center improvements;

(2) $1,000,000 for the Taylors Falls River Walk improvements and trail system; and

(3) $400,000 for development of a town square.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $2,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 20 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Taylors Falls and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 52. **CITY OF VERGAS; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Vergas may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to pay for the following projects in the Vergas Park Improvement Plan:

(1) $240,000 for construction of a new amphitheater and bathhouse; and

(2) $45,000 for extension of utilities to the amphitheater.

(b) The city must adopt an amended resolution in support of the use of revenues from the tax authorized under subdivision 1 for the uses listed in paragraph (a). The resolution must include the components of the resolution required under Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), for each project listed in paragraph (a). The city must submit the resolution to the state auditor no later than August 31 of the year the city presents the tax for voter approval as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes for which the revenues must be used as included in the amended resolution.

(c) If the city does not adopt and submit the amended resolution under paragraph (b), the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision 1 must not be used for, the purposes specified in paragraph (a).

Subd. 3. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) five years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Vergas and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 53. **WASECA COUNTY; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, Waseca County may impose by ordinance a sales and use tax of up to three-eighths of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the county to pay the costs of collecting and administering the tax and to finance up to $45,000,000, plus associated bonding costs, for construction of a new judicial center.

Subd. 3. **Bonding authority.** (a) The county may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $45,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the county, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the county. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the county board determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 if approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the county. The tax authorized under subdivision 1 may expire at an earlier time if the county so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of Waseca County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 54. **CITY OF WAYZATA FOOD AND BEVERAGE TAX.**

Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the city of Wayzata may, by

ordinance, impose a sales tax of up to one percent on the gross receipts on all sales of food and beverages by a restaurant or place of refreshment, as defined by resolution of the city, that are located within the city. For purposes of this section, "food and beverages" includes retail on-sale of intoxicating liquor and fermented malt beverages.

Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

(1) operation, maintenance, and capital improvement expenses for city parks;

(2) operation and capital improvement expenses related to providing public safety; and

(3) costs related to downtown business attraction and retention.

(b) Authorized capital expenses include securing or paying debt service on bonds or other obligations issued to finance the construction of capital improvements to city parks or public safety facilities.

Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter into an agreement with the commissioner of revenue to administer, collect, and enforce the tax authorized under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota Statutes, section 297A.99, related to collection, administration, and enforcement apply.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Wayzata and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 55. **CITY OF WINDOM; TAXES AUTHORIZED.**

Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law or ordinance, and if approved by the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of Windom may impose by ordinance a sales and use tax of up to one-half percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. The tax authorized under this subdivision is in addition to any local sales and use tax imposed under any other special law.

Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city to pay the costs of collecting and administering the tax and to finance $8,000,000 for the swimming pool project, plus associated costs related to the issuance of bonds issued under subdivision 3.

Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision may not exceed $8,000,000, plus an amount applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any money available to the city, including the tax authorized under subdivision

1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99, subdivision 12, the tax authorized under subdivision 1 expires at the earlier of (1) 30 years after the tax is first imposed, or (2) when the city council determines that the amount received from the tax is sufficient to pay for the project costs authorized under subdivision 2 for projects approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any money remaining after payment of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax authorized under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Windom and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 56. **MODIFICATIONS ALLOWED.**

The amendments to Laws 1993, chapter 375, article 9, section 46, as amended, are allowed notwithstanding Minnesota Statutes, section 297A.99, subdivisions 2, paragraphs (a) and (b), and 3, paragraph (a).

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

ARTICLE 6

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 2025 Supplement, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** ~~For fiscal year 2015 and later,~~ A district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue; plus

(2) operating capital aid under section 126C.10, subdivision 13b; plus

(3) equity aid under section 126C.10, subdivision 30; plus

(4) transition aid under section 126C.10, subdivision 33; plus

(5) shared time aid under section 126C.01, subdivision 7; plus

(6) referendum aid under section 126C.17, subdivisions 7 ~~and~~, 7a, and 7c; plus

(7) online learning aid under section 124D.096; plus

(8) local optional aid according to section 126C.10, subdivision 2e, paragraph (f).

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2028 and later.

Sec. 2. Minnesota Statutes 2024, section 126C.17, is amended by adding a subdivision to read:

Subd. 7c. **Seasonal tax base replacement aid.** (a) For purposes of this subdivision, "eligible school district" means a school district for which the seasonal tax base adjustment factor under paragraph (c) is at least equal to 0.15. A school district determined eligible under this paragraph for aid in fiscal year 2028 or any later fiscal year remains an eligible school district for aid in any subsequent fiscal year.

(b) An eligible school district's seasonal tax base replacement aid equals the product of (1) the seasonal tax base adjustment factor, and (2) the district's referendum equalization levy calculated under subdivision 6, after any adjustment under subdivisions 7a and 7b.

(c) A district's seasonal tax base adjustment factor equals the lesser of 0.50 or the ratio of (1) the seasonal market value for the district, to (2) the sum of the referendum market value and the seasonal market value for the district. For the purposes of this paragraph, "seasonal market value" means the market value of all taxable property classified as class 4c(12) under section 273.13.

(d) The amount calculated under paragraph (b) must be used to reduce the district's referendum levy determined after the adjustments under subdivisions 7a and 7b.

EFFECTIVE DATE. This section is effective for taxes payable in 2027 and later.

Sec. 3. Minnesota Statutes 2024, section 477A.011, subdivision 34, is amended to read:

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) 8.572 times the pre-1940 housing percentage; plus (2) 11.494 times the city age index; plus (3) 5.719 times the commercial industrial utility percentage; plus (4) 9.484 times peak population decline; plus (5) 293.056; plus (6) the sparsity adjustment.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) 497.308; plus (2) 6.667 times the pre-1940 housing percentage; plus (3) 9.215 times the commercial industrial utility percentage; plus (4) 16.081 times peak population decline; plus (5) the sparsity adjustment.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 196.487; plus (2) 220.877 times the city's transformed population; plus (3) the sparsity adjustment.

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) the city's revenue need calculated under the formula in paragraph (c) times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

(e) The city revenue need cannot be less than zero.

(f) For calendar year 2024 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 2022 implicit price deflator for state and local government purchases.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 4. Minnesota Statutes 2024, section 477A.011, is amended by adding a subdivision to read:

Subd. 48. **Sparsity adjustment.** (a) The "sparsity adjustment" equals 200 for:

(1) a city with a population of 10,000 or more and an average population density less than 150 per square mile, according to the most recent federal census; and

(2) a city with a population less than 10,000 and an average population density less than 30 per square mile, according to the most recent federal census.

(b) The "sparsity adjustment" equals zero for all other cities.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 5. Minnesota Statutes 2024, section 477A.23, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** ~~For aids payable in 2023 and 2024, $15,000,000 is appropriated in each year from the general fund to the commissioner of revenue to make the payments required under this section.~~ For aids payable in ~~2025~~ 2026 and thereafter, ~~$12,000,000~~ $14,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the payments required under this section.

EFFECTIVE DATE. This section is effective for aids payable in 2026 and thereafter.

Sec. 6. Minnesota Statutes 2024, section 477A.35, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing;

(3) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(4) financing the operations and management of financially distressed residential properties;

(5) funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(6) ~~costs of operating~~ emergency shelter ~~facilities~~ facility construction and operations, including ~~the costs of providing services~~ service provision.

(b) Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

(c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(e) If an aid recipient uses the aid on new construction of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

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

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

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

(C) low-fume paint;

(D) low-chemical carpet; and

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

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 7. Minnesota Statutes 2025 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the ~~deadline~~ deadlines imposed by ~~paragraph (b)~~ this subdivision due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

Funds transferred to a local housing trust fund under this paragraph must be spent on a ~~project or household that meets the affordability requirements of subdivision 4, paragraph (a)~~ qualifying project.

(b) Funds must be ~~spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:~~

~~(1)~~ committed to a qualifying project by December 31 ~~in~~ of the third year following the year ~~after~~ the aid was received~~;~~ and

~~(2)~~ expended by December 31 ~~in~~ of the fourth year following the year ~~after~~ the aid was received.

(c) Notwithstanding paragraph (b), aid that a tier I city or county will spend on a qualifying affordable housing construction project or a qualifying emergency shelter facility construction project under subdivision 4, as documented in the most recent annual report submitted to the

Minnesota Housing Finance Agency under subdivision 6, must be committed to the project by December 31 of the fifth year following the year the aid was received and expended by December 31 of the sixth year following the year the aid was received.

~~(c)~~ (d) An aid recipient may not use aid money to reimburse itself for prior expenditures.

~~(d)~~ (e) Any program income generated from funds distributed under this section must be used on a qualifying project.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 8. Minnesota Statutes 2024, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds ~~within the timeline~~ by the deadlines imposed under subdivision 5, ~~paragraph (b),~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds ~~within the time allowed~~ by the deadlines imposed under subdivision 5~~, paragraph (b)~~;

(2) spends the funds on anything other than a qualifying project;

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the aids payable year the aid recipient wants the commissioner

to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until the next aids payable year.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 9. Minnesota Statutes 2024, section 477A.36, subdivision 4, is amended to read:

Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

(1) emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

(2) financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing;

(3) outside the metropolitan counties as defined in section 473.121, subdivision 4, development of market rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph (d), if the relevant unit of government submits with the report required under subdivision 6 a resolution and supporting documentation showing that the area meets the requirements of section 462A.39, subdivision 4, paragraph (a);

(4) projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development and, for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

(5) financing the operations and management of financially distressed residential properties;

(6) funding of supportive services or staff of supportive services providers for supportive housing as defined in section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

(7) ~~costs of operating~~ emergency shelter ~~facilities~~ facility construction and operations, including ~~the costs of providing services~~ service provision.

(b) Recipients must prioritize projects that provide affordable housing to households that have incomes that do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities in home ownership; reduce housing cost burden, housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

(c) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(e) If an aid recipient uses the aid on new construction of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, and each accessible unit includes at least one roll-in shower, water closet, and kitchen work surface meeting the requirements of section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota; and

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

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

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

(C) low-fume paint;

(D) low-chemical carpet; and

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

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 10. Minnesota Statutes 2025 Supplement, section 477A.36, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the tier I city or county cannot expend funds on a qualifying project by the ~~deadline~~ deadlines imposed by ~~paragraph (b)~~ this subdivision due to factors outside the control of the tier I city or county, funds shall be considered spent on a qualifying project if the funds are transferred to a local housing trust fund. Funds transferred to a local housing trust fund must be spent on a ~~project or household that meets the affordability requirements of subdivision 4, paragraph (a)~~ qualifying project.

(b) If a Tribal Nation demonstrates to the Minnesota Housing Finance Agency that the Tribal Nation cannot expend funds on a qualifying project by the deadlines imposed by this subdivision due to factors outside the control of the Tribal Nation, funds shall be considered spent on a qualifying project if the funds are transferred to a Tribal housing fund overseen by the Tribal Nation. Funds transferred to a Tribal housing fund must be spent on a qualifying project.

~~(b)~~ (c) Funds must be ~~spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:~~

~~(1)~~ committed to a qualifying project by December 31 ~~in~~ of the third year following the year ~~after~~ the aid was received~~;~~ and

~~(2)~~ expended by December 31 ~~in~~ of the fourth year following the year ~~after~~ the aid was received.

(d) Notwithstanding paragraph (c), aid that a recipient will spend on a qualifying affordable housing construction project or a qualifying emergency shelter facility construction project under subdivision 4, as documented in the most recent annual report submitted to the Minnesota Housing Finance Agency under subdivision 6, must be committed to the project by December 31 of the fifth year following the year the aid was received and expended by December 31 of the sixth year following the year the aid was received.

~~(c)~~ (e) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

~~(d)~~ (f) Any program income generated from funds distributed under this section must be used on a qualifying project.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 11. Minnesota Statutes 2024, section 477A.36, subdivision 5a, is amended to read:

Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing

expenditures, so that the recipient is using the funds to create new or to expand existing housing programs.

(b) In the annual report required under subdivision 6, a ~~recipient~~ tier I city or county must certify compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In ~~an aid recipient's~~ a tier I city's or county's first report to the Minnesota Housing Finance Agency, the ~~aid recipient~~ tier I city or county must document its locally funded housing expenditures in the two prior fiscal years. If a ~~recipient~~ tier I city or county reduces one of its locally funded housing expenditures, the ~~recipient~~ tier I city or county must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the ~~recipient's~~ tier I city's or county's website.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 12. Minnesota Statutes 2024, section 477A.36, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each aid recipient under this section. Beginning with aids payable in calendar year 2024, before computing the amount of aid for counties and after receiving the report required by subdivision 3, paragraph (e), the commissioner shall compute the amount necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000. The amount calculated under the preceding sentence shall be deducted from the amount available to counties for the purposes of certifying the amount of aid to be paid to counties in the following year. By August 1 of each year, the commissioner must certify the amount to be paid to each tier I city and county in the following year. The commissioner must pay statewide local housing aid to tier I cities and counties annually at the times provided in section 477A.015. Before paying the first installment of aid annually, the commissioner of revenue shall transfer to the Minnesota Housing Finance Agency from the funds available for counties, for deposit in the account or accounts established under subdivision 3, paragraph (e), the amount computed in the prior year to be necessary to increase the amount in the account or accounts established under that paragraph to $1,250,000.

(b) Beginning in 2025, aid recipients shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report shall include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If an aid recipient fails to submit a report, fails to spend funds ~~within the timeline~~ by the deadlines imposed under subdivision 5, ~~paragraph (b),~~ uses funds for a project that does not qualify under this section, or if an aid recipient fails to meet the requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the aid recipient must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient received under this section if the aid recipient:

(1) fails to spend the funds ~~within the time allowed~~ by the deadlines imposed under subdivision 5~~, paragraph (b)~~;

(2) spends the funds on anything other than a qualifying project;

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to an aid recipient that requests in writing that the commissioner stop payment or that the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed to use funds, misused funds, or failed to report on its use of funds. A request to stop payment under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the year prior to the aids payable year in which the aid recipient wants the commissioner to stop payment of aid. The commissioner shall not stop payment based on a request received after May 1 until aids payable based on certification in the following calendar year.

(e) The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to an aid recipient to which the commissioner has stopped payments at the request of the recipient in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the recipient has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

(g) An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation on or before August 1 of the aids payable year. The commissioner of revenue must pay statewide local housing aid to eligible Tribal Nations annually by December 27 of the year the aid is certified.

EFFECTIVE DATE. This section is effective for aids payable in 2027 and thereafter.

Sec. 13. **FEDERAL ENFORCEMENT REIMBURSEMENT AID.**

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

(b) "City" means a statutory or home rule charter city.

(c) "Commissioner" means the commissioner of revenue.

(d) "Eligible costs" means any or all of the following costs incurred by the city in association with federal enforcement actions:

(1) vehicle towing and impoundment;

(2) overtime, standby, on-call, or related costs for police, fire, first responders, and other emergency personnel;

(3) overtime, standby, on-call, or related costs for nonemergency personnel; and

(4) other materials and supplies.

(e) "Federal enforcement actions" means the presence of United States Department of Homeland Security immigration officials in Minnesota for purposes of federal immigration enforcement between December 1, 2025, and May 31, 2026.

Subd. 2. **Certification of costs.** (a) By August 1, 2026, the administrator, manager, or finance director of each city may submit to the commissioner a notarized certification of eligible costs. The commissioner shall prescribe the form and manner of the certification.

(b) Costs certified to the commissioner under paragraph (a) are subject to audit by the state auditor. Each city must maintain documentation of these costs until August 1, 2029.

Subd. 3. **Distribution.** (a) If the sum of eligible costs certified to the commissioner by all cities under subdivision 2 is less than or equal to the total amount appropriated for aid under subdivision 6, each city shall receive an amount of aid equal to the eligible costs certified to the commissioner by the city.

(b) If the sum of eligible costs certified to the commissioner by all cities under subdivision 2 is greater than the total amount appropriated for aid under subdivision 6, each city shall receive an amount of aid equal to the product of:

(1) the total amount appropriated for aid; and

(2) the ratio of the eligible costs certified to the commissioner by the city to the eligible costs certified to the commissioner by all cities.

Subd. 4. **Federal reimbursement.** (a) Cities are encouraged to make reasonable, good faith efforts to pursue federal reimbursement for eligible costs.

(b) A city that receives federal reimbursement for eligible costs on or before December 31, 2027, must return to the commissioner the lesser of the amount of the federal reimbursement or the portion of aid received by the city under this section for the same costs. Aid returned to the commissioner under this subdivision is canceled to the general fund.

Subd. 5. **Certification and payment.** (a) By December 1, 2026, the commissioner must calculate and certify the amount of aid payable to each city under this section.

(b) By December 26, 2026, the commissioner must pay federal enforcement reimbursement aid to each city.

Subd. 6. **Appropriation.** (a) $2,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of revenue for aid payments under this section. This is a onetime appropriation.

(b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may retain up to five percent of the amount appropriated in paragraph (a) for administrative costs of this section.

EFFECTIVE DATE. This section is effective for aids payable in 2026 only.

Sec. 14. **FILLMORE COUNTY DISPARITY REDUCTION AID PAYMENTS.**

(a) Notwithstanding Minnesota Statutes, section 273.1398, the 2027 disparity reduction aid payments for jurisdictions located in Fillmore County must include the 2024 and 2025 disparity reduction aid amounts that were not paid to the jurisdictions in those years. The 2024 and 2025 amounts are in addition to any aid determined for 2027, except that these amounts cannot reduce any jurisdiction's levy in 2027 to less than $0.

(b) By April 1, 2027, the Fillmore County auditor must calculate and certify to the commissioner of revenue the 2024 and 2025 disparity reduction aid amounts. To calculate the total amount of disparity reduction aid for each jurisdiction in 2027, the county auditor must first calculate the 2027 disparity reduction aid payments for jurisdictions in Fillmore County pursuant to Minnesota Statutes, section 273.1398, without regard to the 2024 and 2025 disparity reduction aid amounts. The county auditor must then add any additional aid amounts attributable to the 2024 and 2025 aid to each jurisdiction's 2027 disparity reduction aid amount. Notwithstanding Minnesota Statutes, section 275.08, subdivision 1d, the 2024 and 2025 disparity reduction aid amounts may reduce below 90 percent of net tax capacity the total adjusted local tax rate of all local governments combined within a unique taxing jurisdiction in 2027.

(c) The commissioner of revenue must include the 2024 and 2025 disparity reduction aid payments along with the certification for disparity reduction aid paid in 2027, pursuant to Minnesota Statutes, section 273.1398, subdivision 6. The commissioner of revenue must include the additional amounts from 2024 and 2025 in the payments for aid payable in 2027 to each affected local government, other than school districts. The commissioner of education must include the additional amounts from 2024 and 2025 in the payment to school districts for aid payable in 2027. No later than June 30, 2027, the commissioner of revenue and the commissioner of education must deposit to the general fund any unspent money appropriated under this section.

(d) $215,860 in fiscal year 2028 is appropriated from the general fund to the commissioner of revenue for payments under this section to counties and towns. $250,790 in fiscal year 2028 is appropriated from the general fund to the commissioner of education for payments under this section to school districts, intermediate school districts, or any group of school districts levying as a single taxing entity.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2024, section 477A.30, subdivision 8, is repealed.

ARTICLE 7

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2024, section 469.176, subdivision 2, is amended to read:

Subd. 2. **Excess increments.** (a) The authority ~~shall~~ must annually determine the amount of excess increments for a district, if any. This determination must be based on the tax increment financing plan in effect on December 31 of the year being reviewed and the increments ~~and other revenues~~ received as of December 31 of the year. ~~The authority must spend or return the excess increments under paragraph (c) within nine months after the end of the year.~~ If the authority determines there are excess increments for a district, within nine months after December 31, the authority must:

(1) return the excess increments to the county auditor; and

(2) absent an outstanding qualifying pay-as-you-go contract and note, as defined under section 469.1763, subdivision 4, paragraph (e), decertify the district.

(b) The requirement to decertify under paragraph (a) is deferred if:

(1) within nine months after December 31, a modification of the tax increment financing plan is approved under section 469.175, subdivision 4; and

(2) the modification increases the total costs authorized to be paid with increments from the district by an amount greater than the excess increment determined under paragraph (a).

(c) The deferral permitted under paragraph (b) expires nine months following the next year for which:

(1) the authority determines an amount of excess increments exists;

(2) there are no further approved modifications to the tax increment financing plan that increase the total costs authorized to be paid with increments from the district by an amount greater than the excess increment; and

(3) the district has no outstanding qualifying pay-as-you-go contract and note.

~~(b)~~ (d) For purposes of this subdivision, "excess increments" equals the excess of:

(1) total increments collected from the district since its certification, reduced by any excess increments ~~paid~~ returned under paragraph ~~(c), clause (4),~~ (e) for a prior year, over

(2) the total costs authorized by the tax increment financing plan to be paid with increments from the district, ~~reduced, but not below zero, by the sum of:~~

~~(i) the amounts of those authorized costs that have been paid from sources other than tax increments from the district;~~

~~(ii) revenues, other than tax increments from the district, that are dedicated for or otherwise required to be used to pay those authorized costs and that the authority has received and that are not included in item (i);~~

~~(iii) the amount of principal and interest obligations due on outstanding bonds after December 31 of the year and not prepaid under paragraph (e) in a prior year; and~~

~~(iv)~~ increased by the sum of the transfers of increments made under section 469.1763, subdivision 6, to reduce deficits in other districts made by December 31 of the year.

~~(c) The authority shall use excess increment only to do one or more of the following:~~

~~(1) prepay any outstanding bonds;~~

~~(2) discharge the pledge of tax increment for any outstanding bonds;~~

~~(3) pay into an escrow account dedicated to the payment of any outstanding bonds; or~~

~~(4) return the excess amount to~~ (e) The county auditor ~~who shall~~ must distribute the excess ~~amount~~ increments returned under paragraph (a) to the city or town, county, and school district in which the tax increment financing district is located in direct proportion to their respective local tax rates.

~~(d) For purposes of a district for which the request for certification was made prior to August 1, 1979, excess increments equal the amount of increments on hand on December 31, less the principal and interest obligations due on outstanding bonds or advances, qualifying under subdivision 1e, clauses (1), (2), (4), and (5), after December 31 of the year and not prepaid under paragraph (c).~~

~~(e)~~ (f) The county auditor must, prior to February 1 of each year, report to the commissioner of education the amount of any excess tax increment distributed to a school district for the preceding taxable year.

~~(f) For purposes of this subdivision, "outstanding bonds" means bonds which are secured by increments from the district.~~

~~(g) The state auditor may exempt an authority from reporting the amounts calculated under this subdivision for a calendar year, if the authority certifies to the auditor in its report that the total amount authorized by the tax increment plan to be paid with increments from the district exceeds the sum of the total increments collected for the district for all years by 20 percent.~~

EFFECTIVE DATE. This section applies to all districts and is effective for excess increment determinations for calendar year 2026 and thereafter.

Sec. 2. Laws 2021, First Special Session chapter 14, article 9, section 9, is amended to read:

Sec. 9. **CITY OF MOUNTAIN LAKE; TIF DISTRICT NO. 1-8; FIVE-YEAR RULE EXTENSION.**

(a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is extended by ~~a five-year~~ an eight-year period to April 1, 2029, for Tax Increment Financing District No. 1-8, administered by the city of Mountain Lake or its economic development authority.

(b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to the ~~11th~~ 14th year for Tax Increment Financing District No. 1-8.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Mountain Lake and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. Laws 2021, First Special Session chapter 14, article 9, section 11, is amended to read:

Sec. 11. **CITY OF WAYZATA; TIF DISTRICT NO. 6; EXPENDITURES ALLOWED.**

(a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata may expend increments generated from Tax Increment Financing District No. 6 for the design and construction of the lakefront pedestrian walkway and community transient lake public access infrastructure related to the Panoway on Wayzata Bay project, and all such expenditures are deemed expended on activities within the district.

(b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata may expend increments generated from Tax Increment Financing District No. 6 on the following projects:

(1) design and construction of the Eco Park, including shoreline restoration, marsh and water quality improvements, a pier extension of the lakeside boardwalk, and creation of eco-living classrooms;

(2) restoration of the Section Foreman House, including installation of a learning center and community space; and

(3) expansion and remodeling of the Depot Park, including accessibility improvements related to the Panoway on Wayzata Bay project.

(c) Notwithstanding Minnesota Statutes, section 469.1763, subdivisions 2, 3, and 4, expenditures on projects in paragraph (b) are deemed expended on activities within the district.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Wayzata and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 4. Laws 2025, First Special Session chapter 13, article 5, section 11, subdivision 3, is amended to read:

Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires December 31, ~~2026~~ 2028.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Eden Prairie and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. **CITY OF CHASKA; TAX INCREMENT FINANCING DISTRICT NO. 23.**

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the Chaska Economic Development Authority may collect tax increment from Chaska Tax Increment Financing District No. 23 for up to 35 years after receipt of the first increment.

EFFECTIVE DATE. This section is effective upon compliance by the governing bodies of the city of Chaska, Carver County, and Independent School District No. 112 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 6. **CITY OF COLUMBIA HEIGHTS; ALATUS TAX INCREMENT FINANCING DISTRICT; FIVE-YEAR RULE EXTENSION; SIX-YEAR RULE EXTENSION; DURATION EXTENSION.**

(a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for the Alatus Tax Increment Financing District in the city of Columbia Heights.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the city of Columbia Heights or its economic development authority may elect to extend the duration of the Alatus Tax Increment Financing District in the city of Columbia Heights by five years.

EFFECTIVE DATE. Paragraph (a) is effective the day after the governing body of the city of Columbia Heights and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the governing bodies of the city of Columbia Heights, Anoka County, and Independent School District No. 13 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 7. **CITY OF HOPKINS; TAX INCREMENT FINANCING DISTRICT 1-6 (325 BLAKE); FIVE-YEAR RULE EXTENSION; SIX-YEAR RULE EXTENSION.**

The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for Tax Increment Financing District 1-6 (325 Blake) in the city of Hopkins.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Hopkins and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 8

PUBLIC FINANCE

Section 1. Minnesota Statutes 2024, section 297A.993, subdivision 4, is amended to read:

Subd. 4. **Bonds.** (a) A county may, by resolution, authorize, issue, and sell its bonds, notes, or other obligations for the purposes specified in subdivision 2. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

(b) The bonds may be limited obligations, payable solely from or secured by taxes levied under this section, and the county may also pledge its full faith, credit, and taxing power as additional security for the bonds. A regional railroad authority within the county may also pledge its taxing powers as additional security for the bonds.

(c) A county may issue and sell bonds in one or more series and without an election. The county may determine how the bonds shall be secured; how the bonds will bear interest, and the rate or rates, or variable rate; the rank or priority; how the bonds will be executed and be payable, and how they will mature; and how the bonds will be subject to any defaults, redemptions, repurchases, tender options, or other terms. The county may also determine how the bonds shall be sold.

(d) The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee located within or outside of the state.

(e) Before issuing bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least ~~14~~ ten, but not more than 28, days before the date of the hearing.

(f) Any project financed with bonds issued under this section must be included in a capital improvement plan as defined in section 373.40, subdivision 3. For purposes of this paragraph, "project" means any project described in subdivision 2, notwithstanding section 373.40, subdivision 1, paragraph (b).

(g) Except as otherwise provided in this subdivision, the bonds must be issued and sold in the manner provided under chapter 475.

Sec. 2. Minnesota Statutes 2024, section 469.060, subdivision 3, is amended to read:

Subd. 3. **Detail; maturity.** The port authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. ~~The bonds must mature serially.~~ The first installment must be due in not more than three years and the last in not more than 30 years from the date of issuance.

ARTICLE 9

HENNEPIN COUNTY HEALTHCARE TAX

Section 1. Minnesota Statutes 2024, section 473.756, is amended by adding a subdivision to read:

Subd. 15. **Qualifying government.** The authority is a qualifying government for purposes of section 118A.09, subdivision 1. Whenever the authority's investments are managed by the county, the authority's additional long-term equity investment limitations as provided in section 118A.09, subdivision 3, are calculated based on the county's most recent audited statement of net position instead of the authority's most recent audited statement of net position.

Sec. 2. Minnesota Statutes 2024, section 473.757, subdivision 1, is amended to read:

Subdivision 1. **Ballpark grants.** The county may authorize, by resolution, and make one or more grants to the authority for ballpark development and construction, public infrastructure, capital improvement of the ballpark or public infrastructure within the development area, reserves for capital improvements, and other purposes related to the ballpark on the terms and conditions agreed to by the county and the authority.

Sec. 3. Minnesota Statutes 2024, section 473.757, subdivision 2, is amended to read:

Subd. 2. **Youth sports; library.** To the extent funds are available from collections of the tax authorized by subdivision 10 after ~~payment each year of debt service on the bonds authorized and issued under subdivision 9 and~~ payments for the purposes described in subdivision 1, the county may also authorize, by resolution, and expend or make grants to the authority and to other governmental units and nonprofit organizations in an aggregate amount of up to $4,000,000 annually, increased by up to 1.5 percent annually to fund equally: (1) youth activities and youth and amateur sports within Hennepin County; and (2) the cost of extending the hours of operation of Hennepin County libraries and Minneapolis public libraries.

The money provided under this subdivision is intended to supplement and not supplant county expenditures for these purposes as of May 27, 2006.

Hennepin County must provide reports to the chairs of the committees and budget divisions in the senate and the house of representatives that have jurisdiction over education policy and funding, describing the uses of the money provided under this subdivision. The first report must be made by January 15, 2009, and subsequent reports must be made on January 15 of each subsequent odd-numbered year.

Sec. 4. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to read:

Subd. 2a. **Hennepin County health care facilities.** To the extent money is available from collections of the tax authorized by subdivision 10 after payments for the purposes described in subdivisions 1 and 2:

(1) the county must distribute $21,000,000 annually, subject to annual increases in percentages acceptable to the county, to a private, nonprofit hospital located in Hennepin County that is designated

by the commissioner of health as an adult level I trauma hospital according to section 144.605, subdivision 3, and provides statewide ground and air emergency medical transportation services. The money must be used to fund uncompensated care provided in facilities owned or operated by the eligible private, nonprofit hospital; and

(2) from the remainder of the money available, the county may only authorize, by resolution, appropriations to fund any or all of the following:

(i) the development, construction, improvement, and equipping of county-owned or county-operated health care facilities;

(ii) public infrastructure determined by the county to facilitate the development and use of facilities described in item (i);

(iii) reserves for county-owned or county-operated health care facilities capital improvements;

(iv) uncompensated care provided in county-owned or county-operated health care facilities;

(v) other purposes related to county-owned or county-operated health care facilities, including operating expenses for county-owned or county-operated health care facilities;

(vi) other purposes related to county public health services or priorities;

(vii) other county-identified services or programs, including housing programs and housing with low barriers to entry, that address health-related social needs; and

(viii) debt service on bonds authorized and issued under subdivision 9.

Sec. 5. Minnesota Statutes 2024, section 473.757, subdivision 3, is amended to read:

Subd. 3. **Expenditure limitations.** The amount that the county may grant or expend for ballpark costs shall not exceed $260,000,000. The amount of any grant for capital improvement reserves shall not exceed ~~$1,000,000~~ $9,000,000 annually, subject to the agreement under section 473.759, subdivision 3, and to annual increases according to an inflation index acceptable to the county. The amount of grants or expenditures for land, site improvements, and public infrastructure shall not exceed $90,000,000, excluding capital improvement reserves, bond reserves, capitalized interest, and financing costs. The authority to spend money for land, site improvements, and public infrastructure is limited to payment of amounts incurred or for construction contracts entered into during the period ending five years after the date of the issuance of the initial series of bonds under Laws 2006, chapter 257. Such grant agreements are valid and enforceable notwithstanding that they involve payments in future years and they do not constitute a debt of the county within the meaning of any constitutional or statutory limitation or for which a referendum is required.

Sec. 6. Minnesota Statutes 2024, section 473.757, subdivision 4, is amended to read:

Subd. 4. **Property acquisition and disposition.** (a) The county may acquire by purchase, eminent domain, or gift, land, air rights, and other property interests within the development area for the ballpark site and public infrastructure and convey it to the authority with or without consideration, prepare a site for development as a ballpark, and acquire and construct any related public infrastructure. The purchase of property and development of public infrastructure financed

with revenues under this section is limited to infrastructure within the development area or within 1,000 feet of the border of the development area. The public infrastructure may include the construction and operation of parking facilities within the development area notwithstanding any law imposing limits on county parking facilities in the city of Minneapolis. The county may acquire and construct property, facilities, and improvements within the stated geographical limits for the purpose of drainage and environmental remediation for property within the development area, walkways and a pedestrian bridge to link the ballpark to Third Avenue distributor ramps, street and road improvements and access easements for the purpose of providing access to the ballpark, streetscapes, connections to transit facilities and bicycle trails, and any utility modifications which are incidental to any utility modifications within the development area.

(b) The county or any of the county's subsidiaries may acquire by purchase, eminent domain, or gift the land rights, air rights, and other property interests within the county for health care facilities and related infrastructure.

(c) To the extent property parcels or interests acquired are more extensive than the public infrastructure requirements, the county may sell or otherwise dispose of the excess. The proceeds from sales of excess property must be deposited in the debt service reserve fund.

Sec. 7. Minnesota Statutes 2024, section 473.757, subdivision 7, is amended to read:

Subd. 7. **Local government expenditures.** The county may make expenditures or grants for other costs incidental and necessary to further the purposes of Laws 2006, chapter 257, and this act and may by agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced funds to the county to further the purposes of Laws 2006, chapter 257, and this act. The county shall reimburse a local governmental entity within its jurisdiction or make a grant to such a governmental unit for site acquisition, preparation of the site for ballpark development, and public infrastructure. Amounts expended by a local governmental unit with the proceeds of a grant or under an agreement that provides for reimbursement by the county shall not be deemed an expenditure or other use of local governmental resources by the governmental unit within the meaning of any law or charter limitation. Exercise by the county of its powers under this section shall not affect the amounts that the county is otherwise eligible to spend, borrow, tax, or receive under any law.

Sec. 8. Minnesota Statutes 2024, section 473.757, subdivision 8, is amended to read:

Subd. 8. **County authority.** It is the intent of the legislature that, except as expressly limited herein, the county has the authority to acquire and develop a site for the ballpark and public infrastructure, to enter into contracts with the authority and other governmental or nongovernmental entities, to appropriate funds, to fund capital reserves and make capital improvements, and to make employees, consultants, and other revenues available for those purposes.

Sec. 9. Minnesota Statutes 2024, section 473.757, subdivision 9, is amended to read:

Subd. 9. **County revenue bonds.** (a) The county may, by resolution, authorize, sell, and issue revenue bonds to provide funds to make a grant or grants to the authority and to finance all or a portion of the costs of site acquisition, site improvements, and other activities necessary to prepare a site for development of a ballpark, to construct, improve, and maintain the ballpark and to establish and fund any capital improvement reserves, and to acquire and construct any related parking facilities and other public infrastructure and for other costs incidental and necessary to further the purposes

of Laws 2006, chapter 257. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must be limited obligations, payable solely from or secured by taxes levied under subdivision 10, and any other revenues to become available under Laws 2006, chapter 257. The bonds may be issued in one or more series and sold without an election. The bonds shall be sold in the manner provided by section 475.60. The bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in chapter 475. The bonds shall recite that they are issued under Laws 2006, chapter 257, and the recital shall be conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 10, the county may provide funds for the purposes authorized by Laws 2006, chapter 257, through temporary interfund loans from other available funds of the county which shall be repaid with interest.

(b) The county may, by resolution, authorize, sell, and issue revenue bonds to provide money to finance all or a portion of the costs of county-owned or county-operated health care facilities, including but not limited to site acquisition, site improvements, and other activities necessary to prepare a site for development of health care facilities and to construct, maintain, and improve health care facilities; establish and fund any capital improvement reserves; and acquire and construct any related parking facilities and related infrastructure. The county may, by resolution, authorize, sell, and issue revenue bonds for other costs incidental and necessary to further the purposes of this act. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds may be limited obligations, payable solely from or secured by taxes levied under subdivision 10, and any other revenues made available under this act, and the county may also pledge its full faith, credit, and taxing power as additional security for the bonds. The bonds may be issued in one or more series and sold without an election. The bonds must be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable to issue and secure the bonds, including an indenture of trust with a trustee within or outside of the state. The debt represented by the bonds must not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in chapter 475. The bonds must recite that they are issued under this act, and the recital is conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for payment of the bonds. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 10, the county may provide money for the purposes authorized by this act, through temporary interfund loans from other available county money that must be repaid with interest.

Sec. 10. Minnesota Statutes 2024, section 473.757, subdivision 10, is amended to read:

Subd. 10. **Sales and use tax.** (a) Notwithstanding section 477A.016, or other law, the governing body of the county may by ordinance, impose a sales and use tax at the rate of ~~0.15~~ 0.25 percent for

the purposes listed in this section. The taxes authorized under this section and the manner in which they are imposed are exempt from the rules of section 297A.99, subdivisions 2 and 3. The provisions of section 297A.99, except for subdivisions 2 and 3, apply to the imposition, administration, collection, and enforcement of this tax.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Sec. 11. Minnesota Statutes 2024, section 473.757, subdivision 11, is amended to read:

Subd. 11. **Uses of tax.** (a) Revenues received from the tax imposed under subdivision 10 may be used for the following and for no other purpose:

(1) to pay costs of collection;

(2) to pay or reimburse or secure the payment of any principal of, premium, or interest on bonds issued in accordance with Laws 2006, chapter 257, section 12, and this act;

~~(3) to pay costs and make expenditures and grants described in this section, including financing costs related to them;~~

~~(4)~~ (3) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the county;

~~(5)~~ (4) to pay for operating costs of the ballpark authority other than the cost of operating or maintaining the ballpark; ~~and~~

~~(6)~~ (5) to make expenditures and grants for youth activities and amateur sports and extension of library hours as described in subdivision 2;

~~and for no other purpose.~~

(6) to make grants to the authority for capital improvement expenditures for purposes permitted under subdivision 1;

(7) to make distributions to a private, nonprofit hospital as required under subdivision 2a, clause (1); and

(8) to make appropriations to fund expenditures for Hennepin County health care facilities as described in subdivision 2a, clause (2), including financing costs related to the expenditures.

(b) Revenues from the tax designated for use under paragraph (a), clause ~~(5)~~ (4), must be deposited in the operating fund of the ballpark authority.

(c) After completion of the ballpark and public infrastructure, the tax revenues not required for current payments of the expenditures described in paragraph (a), clauses (1) to ~~(6)~~ (8), shall be used to ~~(i)~~ (1) redeem or defease the bonds, and ~~(ii)~~ (2) prepay or establish a fund for ~~payment of future obligations under grants or other commitments for future expenditures which are permitted by this~~

~~section. Upon the redemption or defeasance of the bonds and the establishment of reserves adequate to meet such future obligations, the taxes shall terminate and shall not be reimposed~~ reserves adequate to meet the future obligations. For purposes of this subdivision, "reserves adequate to meet such future obligations" means a reserve that does not exceed the net present value of the county's obligation to make grants under paragraph (a), clauses ~~(5)~~ (4) and ~~(6)~~ (5), and to fund the reserve for capital improvements required under section 473.759, subdivision 3, for the later of (i) the 30-year period beginning on the date of the original issuance of the latest-issued series of bonds issued pursuant to subdivision 9, less those obligations that the county has already paid, or (ii) the period extending through the final term of the agreement in section 473.759, subdivision 4, as the agreement may be modified or extended from time to time.

Sec. 12. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to read:

Subd. 12. **Termination of tax.** (a) The tax imposed under subdivision 10 expires 25 years after the tax is first imposed.

(b) The county's share of the reserve for capital improvements required under section 473.759, subdivision 3, applies until otherwise terminated, regardless of the termination of the tax under paragraph (a).

Sec. 13. Minnesota Statutes 2024, section 473.759, subdivision 3, is amended to read:

Subd. 3. **Reserve for capital improvements.** The authority shall require that a reserve fund for capital improvements to the ballpark and public infrastructure within the development area be established and funded with annual payments of ~~$2,000,000~~ $15,526,000, with the team's share of those payments to be approximately ~~$1,000,000~~ $6,526,000, as determined by agreement of the team and county. The annual payments shall increase according to an inflation index determined by the ~~authority, provided that any portion of the team's contribution that has already been reduced to present value shall not increase according to an inflation index~~ county. The authority may accept contributions from the county or other source for the portion of the funding not required to be provided by the team.

Sec. 14. **EFFECTIVE DATE.**

Sections 1 to 13 are effective the day following final enactment.

ARTICLE 10

MINERALS

Section 1. Minnesota Statutes 2024, section 298.225, is amended to read:

298.225 APPROPRIATION.

Subdivision 1. **Guaranteed distribution.** (a) Except as provided under ~~paragraph~~ paragraphs (c) to (e), the distribution of the taconite production tax as provided in section 298.28, subdivisions 3 to 5, 6, ~~paragraph~~ paragraphs (b) and (c), 7, and 8, shall equal the lesser of the following amounts:

(1) the amount distributed pursuant to this section and section 298.28, with respect to 1983 production if the production for the year prior to the distribution year is no less than 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount of the distributions shall be reduced proportionately at the rate of two percent for each 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000 tons; or

(2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production;

(ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b) and (d), 75 percent of the amount distributed pursuant to this section and section 298.28, with respect to 1983 production provided that the aid guarantee for distributions under section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton for production years 2014 and thereafter.

(b) The distribution of the taconite production tax as provided in section 298.28, subdivision 2, shall equal the following amount:

(1) if the production for the year prior to the distribution year is at least 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production; or

(2) if the production for the year prior to the distribution year is less than 42,000,000 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

(c) The distribution of the taconite production tax under section 298.28, subdivision 3, paragraph (a), must equal the amount distributed under 298.28, with respect to 1983 production.

(d) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (b), clause (1), items (i) and (ii), must equal $100,000, and the distribution of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (1), item (iii), must equal the amount distributed under section 298.28, with respect to 2023 production.

(e) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax under section 298.28, subdivision 4, paragraph (b), clause (2), items (i) to (v), must equal the amounts distributed under section 298.28, with respect to 2023 production, and the distributions of the taconite production tax to each school district under section 298.28, subdivision 4, paragraph (b), clause (2), item (vi), subitems (A) and (B), must equal $150,000.

(f) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distribution of the taconite production tax under section 298.28, subdivision 11, paragraph (d), must equal 75 percent of the amount that each school district received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

(g) For the two years after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, the distributions of the taconite production tax to each of the city of Orr and the city of Winton under section 298.282, subdivision 1, paragraph (a), must equal $25,000, and the distributions of the taconite production tax to each of the city of Cook and the city of Two Harbors under section 298.282, subdivision 1, paragraph (a), must equal $75,000.

Subd. 2. **Funding guaranteed distribution level.** (a) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (a) to (c), is appropriated in equal proportions from the initial current year distributions to the taconite environmental protection fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distributions to the taconite environmental protection fund and the Douglas J. Johnson economic protection trust are insufficient to fund the difference, the commissioner of Iron Range resources and rehabilitation shall make the payments of any remaining difference from the corpus of the taconite environmental protection fund and the corpus of the Douglas J. Johnson economic protection trust fund in equal proportions as directed by the commissioner of revenue.

(b) The money necessary for funding the difference between the initial distribution made pursuant to section 298.28 and the amount guaranteed in subdivision 1, paragraphs (d) to (g), is appropriated from the initial current year distribution to the Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial distribution to the Douglas J. Johnson economic protection trust is insufficient to fund the difference, the commissioner of Iron Range resources and rehabilitation shall make the payments of any remaining difference from the corpus of the Douglas J. Johnson economic protection trust fund as directed by the commissioner of revenue.

(c) If a taconite producer ceases beneficiation operations permanently and is required by a special law to make bond payments for a school district, the Douglas J. Johnson economic protection trust fund shall assume the payments of the taconite producer if the producer ceases to make the needed payments. The commissioner of Iron Range resources and rehabilitation shall make these school bond payments from the corpus of the Douglas J. Johnson economic protection trust fund in the amounts certified by the commissioner of revenue.

Sec. 2. Minnesota Statutes 2024, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

(a) Except as provided in paragraph (b), an amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development, concurrent reclamation,

plant and stationary mining equipment, facilities for the producer, or for research and development in Minnesota on new mining, taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose. If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the taconite environmental protection fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be distributed to the taconite environmental protection fund.

(b) Notwithstanding any provision to the contrary, a producer operating Mesabi Metallics or its successor may not receive a distribution under this section.

Sec. 3. Minnesota Statutes 2024, section 298.28, subdivision 2, is amended to read:

Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," produced by each producer except Mesabi Metallics or its successor, plus one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the amount provided in paragraph (c), must be allocated to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 50 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. The commissioner's order making such apportionment shall be subject to review by the Tax Court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(b)(1) Four cents per taxable ton produced by each producer except Mesabi Metallics or its successor, and one cent per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor shall be allocated to cities and ~~organized~~ townships affected by mining because their boundaries are within three miles of a taconite mine pit that:

(i) was actively mined by LTV Steel Mining Company in 1999; or

(ii) has been actively mined in at least one of the prior three years.

(2) If a city or town is located near more than one mine meeting the criteria under this paragraph, the city or town is eligible to receive aid calculated from only the mine producing the largest taxable tonnage. When more than one municipality qualifies for aid based on one company's production,

the aid must be apportioned among the municipalities in proportion to their populations. The amounts distributed under this paragraph to each ~~municipality~~ city and organized township must be used for infrastructure improvement projects. The amounts distributed under this paragraph to counties on behalf of each unorganized township must be used by the county for infrastructure improvement projects within the unorganized township.

(c) The amount that would have been computed for the current year under Minnesota Statutes 2008, section 126C.21, subdivision 4, for a school district shall be distributed to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution.

Sec. 4. Minnesota Statutes 2024, section 298.28, subdivision 3, is amended to read:

Subd. 3. **Cities; towns.** (a) 12.5 cents per taxable ton~~,~~ produced by each producer except Mesabi Metallics or its successor, plus two cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282. The amount allocated to the taconite municipal aid account must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area as defined in section 273.134, paragraph (b), within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed $55 per capita in the case of a township or $75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means the appropriate net tax capacities multiplied by 10.2.

(d) In addition to other distributions under this subdivision, three cents per taxable ton for distributions in 2009 must be allocated for distribution to towns that are entirely located within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent amount must be annually increased in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount available under this paragraph will be distributed to eligible towns on a per capita basis, provided that no town may receive more than ~~$50,000~~ $70,000 in any

year under this paragraph. Any amount of the distribution that exceeds the ~~$50,000~~ $70,000 limitation for a town under this paragraph must be redistributed on a per capita basis among the other eligible towns, to whose distributions do not exceed ~~$50,000~~ $70,000.

Sec. 5. Minnesota Statutes 2024, section 298.28, subdivision 4, is amended to read:

Subd. 4. **School districts.** (a) 32.15 cents per taxable ton~~,~~ produced by each producer except Mesabi Metallics or its successor, plus 32.72 cents per taxable ton produced by Mesabi Metallics or its successor, plus 4.57 cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, plus the increase provided in paragraph (b), clause (3), plus the increase provided in paragraph (d), less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

(b)~~(i)~~ (1) 3.43 cents per taxable ton produced by each producer except Mesabi Metallics or its successor, and 4.57 cents per taxable ton produced in 2023 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed ~~to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced.~~ as follows:

(i) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 695, Chisholm, or its successor district;

(ii) $100,000 from the proceeds of Mesabi Metallics or its successor to Independent School District No. 696, Ely, or its successor district; and

~~The distribution must be~~ (iii) the remainder to school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced, based on the apportionment formula prescribed in subdivision 2.

~~(ii)~~ (2) Four cents per taxable ton ~~from each taconite facility~~ produced by each producer except Mesabi Metallics or its successor, plus eight cents per taxable ton produced by Mesabi Metallics or its successor, plus $300,000 from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

~~(1)~~ (i) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

~~(2)~~ (ii) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

~~(3)~~ (iii) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, ~~706, Virginia,~~ 2711, Mesabi East, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge, or their successor districts;

~~(4)~~ (iv) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior, or their successor districts; ~~and~~

~~(5)~~ (v) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and ~~2154, Eveleth-Gilbert~~ 2909, Rock Ridge, or their successor districts.~~;~~ and

(vi) proceeds from Mesabi Metallics or its successor are distributed as follows:

(A) $150,000 to Independent School District No. 318, Grand Rapids, or its successor district;

(B) $150,000 to Independent School District No. 696, Ely, or its successor district; and

(C) eight cents per taxable ton to Independent School District Nos. 316, Greenway, and 319, Nashwauk-Keewatin, or their successor districts.

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(3) Each school district that received a distribution under clause (2) in distribution year 2024 shall receive, from the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor, an additional four cents per taxable ton produced in 2023 by the producer from which the school district received a distribution under clause (2) in distribution year 2024.

(c)~~(i)~~ (1) 24.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

~~(ii)~~ (2) Notwithstanding clause ~~(i)~~ (1), each school district that receives a distribution under sections 298.018; 298.24; and 298.25 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause ~~(i)~~ (1). If there are insufficient tax proceeds to make the distribution provided under this paragraph in any year, money must be transferred from the taconite property tax relief account in subdivision 6, to the extent of the shortfall in the distribution.

(d)(1) Any school district described in paragraph (c) where a levy increase pursuant to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001, shall receive a distribution of 21.3 cents per taxable ton. Each district shall receive $175 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in 2011.

(2) Districts qualifying under paragraph (c) must receive additional taconite aid each year equal to 22.5 percent of the amount obtained by subtracting:

(i) 1.8 percent of the district's net tax capacity for 2011, from:

(ii) the district's weighted average daily membership for fiscal year 2012, multiplied by the sum of:

(A) $415, plus

(B) the district's referendum revenue allowance for fiscal year 2013.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of $175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 126C.13 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of Iron Range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve the lesser of the amount received under this paragraph or $25 times the number of pupil units served in the district. It may use the money for early childhood programs.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(f) Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause ~~(ii)~~ (2), and 11 cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to section 126C.48, subdivision 8.

Sec. 6. Minnesota Statutes 2024, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range schools and community development account.** (a) The following amounts must be allocated to the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range schools and community development account that is hereby created:

(1)(i) for distributions in 2024 through 2032, 24 cents per taxable ton of the tax imposed under section 298.24, (ii) for distributions beginning in 2033, ten cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3); ~~and~~

(3) for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24 through 2050, 20 cents per taxable ton produced by Mesabi Metallics or its successor, provided that the allocation under this clause must only be used for projects within Independent School District No. 316, Greenway, that are approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, and that are approved by the commissioner of Iron Range resources and rehabilitation after review by the Iron Range Resources and Rehabilitation Advisory Board. If projects are not approved by referendum within five years of the date Mesabi Metallics or its successor begins producing tonnage subject to the taxes under section 298.24, or if the commissioner determines that the allocation exceeds the amount necessary for approved projects, the remainder of the allocation under this clause must be used as provided under paragraph (b); and

(4) any other amount as provided by law.

(b) Expenditures from this account, except as provided in paragraph (a), clause (3), may be approved as ongoing annual expenditures and shall be made only ~~to provide~~ for disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, ~~or for any~~ other disbursements to school ~~disbursement as approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Board~~ districts, or community development. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless approved by the commissioner of Iron Range resources and rehabilitation after consultation with the Iron Range Resources and Rehabilitation Advisory Board.

Sec. 7. Minnesota Statutes 2024, section 298.28, subdivision 8, is amended to read:

Subd. 8. **Range Association of Municipalities and Schools.** 0.50 cent per taxable ton produced by each producer except Mesabi Metallics or its successor shall be paid to the Range Association of Municipalities and Schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

Sec. 8. Minnesota Statutes 2024, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per taxable ton ~~for distributions in 2002 and thereafter~~ produced by each producer except Mesabi Metallics or its successor must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in ~~2004~~ 2027 or any subsequent year in which total industry production in the preceding year, excluding production by MagIron or its successor at Plant 4 in Arbo Township and production by Mesabi Metallics or its successor, falls below 30 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the ~~tax~~ taxes collected under section 298.24 from each producer except Mesabi Metallics or its successor for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed $700,000 annually for all Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed $700,000.

Sec. 9. Minnesota Statutes 2024, section 298.28, subdivision 9b, is amended to read:

Subd. 9b. **Taconite environmental fund.** Five cents per taxable ton must be paid to the taconite environmental fund for use under section 298.2961, subdivision 4.

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

Sec. 10. Minnesota Statutes 2024, section 298.28, is amended by adding a subdivision to read:

Subd. 10a. **Insufficient proceeds.** If the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are insufficient to fund the allocations designated from those proceeds under this section, the allocations designated from those proceeds that are not calculated based on taxable tonnage produced by Mesabi Metallics or its successor must be proportionally decreased such that the proceeds of the taxes collected under section 298.24 from Mesabi Metallics or its successor are sufficient to fund the allocations designated from those proceeds under this section.

Sec. 11. Minnesota Statutes 2024, section 298.28, subdivision 11, is amended to read:

Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to ~~10a~~ 10, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however, that (1) the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of

Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district; and (2) a city located within six miles of five other cities qualifying for a distribution under section 298.282 shall receive a distribution equal to $5,000 under this paragraph in calendar year 2020 and subsequent years. The distribution to all other cites and towns receiving a distribution under this paragraph shall be reduced by the ratio that $5,000 bears to the total aid distribution received by all cities and towns under this paragraph.

(c) There shall be distributed to the Iron Range resources and rehabilitation account the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount distributed under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district ~~62~~ 75 percent of the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

Sec. 12. Minnesota Statutes 2024, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; (4) the city of Cook in St. Louis County; (5) the city of Two Harbors in Lake County; (6) the city of Orr in St. Louis County; (7) the city of Winton in St. Louis County; and ~~(4)~~ (8) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The ~~distribution to~~ distributions to each of the city of Orr, the city of Winton, and Breitung Township under this subdivision shall be $25,000 annually. The distributions to each of the city of Cook and the city of Two Harbors under this subdivision shall be $75,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.

Sec. 13. **EFFECTIVE DATE; REVISOR NOTIFICATION.**

(a) Sections 1 to 8 and 10 to 12 are effective for distributions in the year after the year in which Mesabi Metallics or its successor begins producing tonnage subject to the taxes under Minnesota Statutes, section 298.24, and thereafter. The commissioner of revenue must certify to the commissioner of Iron Range resources and rehabilitation when production begins.

(b) The commissioner of revenue must notify the revisor of statutes within 30 days of the certification under paragraph (a).

ARTICLE 11

MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 16A.726, is amended to read:

16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.

(a) The commissioner shall make transfers to the Minnesota Sports Facilities Authority required to make the state payments under section 473J.13, subdivisions 2 and 4~~, and for the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph (a), clause (4)~~. Amounts sufficient to make the transfers are appropriated to the commissioner from the general fund.

(b) $2,700,000 is annually appropriated from the general fund from fiscal year 2014 through fiscal year 2033 to the commissioner of management and budget for a grant to the city of St. Paul for the operating or capital costs of new or existing sports facilities.

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

Sec. 2. **[116J.8753] SPORTS AND EVENTS REIMBURSEMENT PROGRAM.**

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

(b) "Account" means the sports and events reimbursement program account.

(c) "Event" means any of the following and includes any activity related to or associated with the following:

(1) Amateur Athletic Union Junior Olympic Games;

(2) Big Ten conference tournaments;

(3) Bowl Season;

(4) College Football Playoff;

(5) Confederation of North, Central America, and Caribbean Association Football (CONCACAF) Gold Cup or other matches;

(6) Confederation Sudamericana de Football (CONMEBOL) Copa America;

(7) CrossFit Games;

(8) Federation of Gay Games;

(9) Formula 1 United States Grand Prix;

(10) International Ice Hockey Federation (IIHF) World Juniors, Men's, Women's, or any tournament sanctioned by USA hockey or the IIHF;

(11) International Skating Union (ISU) Worlds;

(12) International Soccer Match;

(13) Laver Cup;

(14) Major League Baseball All-Star Game;

(15) Major League Soccer All-Star Game or other special events or matches;

(16) National Basketball Association All-Star Game, Cup, or Draft;

(17) National Collegiate Athletic Association's (NCAA) Men's or Women's Final Four or preliminary round basketball tournament, Men's or Women's Frozen Four, Volleyball Championship, Wrestling Championship, Gymnastics Championship, or any sanctioned NCAA championship;

(18) National Football League Draft, Super Bowl, or combine;

(19) National Hockey League All-Star Game, Draft, Four Nations, Stadium Series, Winter Classic, or World Cup of Hockey;

(20) Rugby World Cup Men's or Women's;

(21) Ultimate Fighting Championship;

(22) United States Figure Skating Championship;

(23) Unrivaled Event;

(24) United States Olympic Team Trials in gymnastics, swimming, and wrestling, sanctioned by the national governing body, recognized by the United States Olympic Committee;

(25) Women's National Basketball Association All-Star Game or Draft;

(26) World Cup Soccer Matches for Men's or Women's;

(27) World Wrestling Entertainment Summer Slam, Royal Rumbles, Survivor Series, WrestleMania, TKO Takeover Weekend, or other premium live event;

(28) X Games;

(29) Professional Golfers' Association (PGA) of America championship-level events for Men's or Women's; or

(30) any event certified by the commissioner of revenue that:

(i) will include at least 15,000 participants and spectators;

(ii) the site selection organization is considering whether to host in a state other than Minnesota; and

(iii) is not held more than one time in any year.

(d) "Program" means the sports and events reimbursement program.

(e) "Local organizing committee" means a body with a demonstrated track record of attracting high-profile events to Minnesota that is responsible for the promotion and execution of an event.

(f) "Site selection organization" means an organization that has the ability to enter into a contract for an event listed in paragraph (c) with a local organizing committee.

Subd. 2. **Sports and events reimbursement program account.** The sports and events reimbursement program account is created in the special revenue fund in the state treasury. Except as otherwise appropriated by law, money in the account is appropriated to the commissioner of revenue for the purposes of this section. All money earned by the account must be credited to the account and remain available until expended.

Subd. 3. **Events eligible for funding.** (a) Only an event listed in subdivision 1, paragraph (c), is eligible for funding under this section.

(b) A listed event may receive funding through the program only if:

(1) a site selection organization, after considering one or more sites not in this state, selects a site in this state for the event to be held:

(i) one time; or

(ii) if the event is scheduled under an event contract or event support contract to be held each year for a period of years, one time in each year;

(2) a site selection organization selects a site in this state as:

(i) the sole site for the event; or

(ii) the sole site for the event in a region composed of this state and one or more adjoining states; and

(3) the event is held not more than one time in any year.

Subd. 4. **Administration of program.** (a) Prior to any determination under section 270C.45, subdivision 2, a local organizing committee must submit an application to the commissioner of revenue. Applications must be submitted in the form and manner provided by the commissioner of revenue but must include:

(1) a certification that the event meets the eligibility requirements for funding under subdivision 3 and all other funding requirements under this section; and

(2) documentation from a site selection organization selecting the site for the event.

(b) The commissioner must conduct due diligence in administering the program, including contracting with professionals as needed to assist in the due diligence.

Subd. 5. **Allowable expenses.** Money in the account may be used to fulfill obligations of the state to a local organizing committee under an event contract including the payment of:

(1) the costs relating to the preparations necessary or desirable for conducting the event; and

(2) the costs of conducting the event, including the costs of an improvement or renovation to an existing facility and the costs of the acquisition or construction of a new facility or other facility.

Subd. 6. **Rulemaking.** The commissioner of revenue may adopt rules necessary to implement this section.

Subd. 7. **Reporting.** (a) A local organizing committee must provide the following information to the commissioner of revenue:

(1) annual audited statements of any financial records required by a site selection organization; and

(2) data obtained by the local organizing committee relating to:

(i) attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of Minnesota; and

(ii) the economic impact of the event.

(b) A local organizing committee must provide an annual audited financial statement required by the commissioner of revenue no later than the end of the fourth month after the last day of the period covered by the financial statement.

(c) After the conclusion of an event, a local organizing committee must provide information about the event, such as attendance figures, including an estimate of the number of people who attended the event who are not residents of Minnesota, financial information, or other public information held by the committee as requested by the commissioner of revenue.

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

Sec. 3. Minnesota Statutes 2024, section 168E.09, is amended by adding a subdivision to read:

Subd. 1a. **Deposit of revenues; sports and events reimbursement program account.** After deposits under subdivision 1, the commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 4. Minnesota Statutes 2024, section 168E.09, subdivision 2, is amended to read:

Subd. 2. **Deposits.** After deposits under ~~subdivision~~ subdivisions 1 and 1a, the commissioner must deposit the balance of proceeds from the retail delivery fee in the transportation advancement account under section 174.49.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 5. Minnesota Statutes 2024, section 270B.14, is amended by adding a subdivision to read:

Subd. 25. **Exchange of criminal investigative data between Department of Revenue and Financial Crimes and Fraud Section.** (a) For purposes of this subdivision, "FCFS" means the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension.

(b) The commissioner may disclose active criminal investigative data as classified under section 270B.03, subdivision 6, to the FCFS. The FCFS may disclose active criminal investigative data concerning tax administration to the commissioner as outlined in section 299C.061, subdivision 6. The commissioner may enter into an agreement with the FCFS outlining procedures to implement the exchange of information under this subdivision, but an agreement may provide for the disclosure of data only to the extent allowed under this subdivision. Disclosure is allowed only for the purpose of and to the extent necessary for tax administration and for the purpose of and to the extent necessary for the FCFS to carry out section 299C.061, subdivision 3.

(c) Data disclosed by the commissioner to the FCFS under this subdivision are classified under section 270B.03, subdivision 6. Data disclosed by the FCFS to the commissioner under section 299C.061, subdivision 6, are classified under section 13.82, subdivision 7.

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

Sec. 6. Minnesota Statutes 2024, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR AND STATE AUDITOR; INSPECTOR GENERAL.

Subdivision 1. **Legislative auditor and state auditor.** (a) Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

Subd. 2. **Inspector general.** Returns and return information must be disclosed to the inspector general, as given meaning in section 15E.10, to the extent necessary for the inspector general to carry out chapter 15E. The inspector general may disseminate data of any classification to the commissioner for purposes of administering the provisions of section 290.034.

EFFECTIVE DATE. This section is effective January 1, 2027, unless the legislature has not established the inspector general as referred to in this section, in which case this section will not be enacted.

Sec. 7. Minnesota Statutes 2024, section 270C.07, is amended to read:

270C.07 REVENUE ~~NOTICES~~ RULINGS.

Subdivision 1. **Authority.** The commissioner may make, adopt, and publish interpretive revenue ~~notices~~ rulings. A "revenue ~~notice~~ ruling" is a policy statement that has been published pursuant to subdivision 5 and that provides interpretation, details, or supplementary information concerning the application of state revenue laws or rules promulgated by the commissioner. Revenue ~~notices~~ rulings are published for the information and guidance of taxpayers, local government officials, the department, and others concerned.

Subd. 2. **Effect.** Revenue ~~notices~~ rulings do not have the force and effect of law and have no precedential effect, but may be relied on by taxpayers unless and until revoked or modified. ~~A notice may be expressly revoked or modified by the commissioner, by the issuance of a revenue notice, but may not be revoked or modified retroactively to the detriment of the taxpayers. A change in the law or an interpretation of the law occurring after the revenue notice is issued, whether in the form of a statute, court decision, administrative rule, or revenue notice, results in revocation or modification of the notice to the extent that the change affects the notice.~~

Subd. 2a. **Revocation or modification.** A revenue ruling may be expressly revoked or modified by the commissioner, by the issuance of a revenue ruling, but may not be revoked or modified retroactively to the detriment of taxpayers. A change in the law or an interpretation of the law occurring after the revenue ruling is issued, whether in the form of a statute, court decision, administrative rule, or revenue ruling, results in revocation or modification of the ruling to the extent that the change affects the ruling.

Subd. 3. **Retroactivity.** Revenue ~~notices~~ rulings are generally interpretive of existing law and therefore are retroactive to the effective date of the applicable law provision unless otherwise stated in the ~~notice~~ ruling.

Subd. 4. **Issuance.** The issuance of revenue ~~notices~~ rulings is at the discretion of the commissioner. The commissioner shall establish procedures governing the issuance of revenue ~~notices~~ rulings and tax information bulletins. ~~At least one week before publication of a revenue notice in the State Register, the commissioner shall provide a copy of the notice to the chairs of the Taxes Committee of the house of representatives and the Taxes and Tax Laws Committee of the senate.~~

Subd. 4a. **Request.** (a) Any person may submit a revenue ruling request to the commissioner. The request must contain the following:

(1) tax type;

(2) the name and characteristics of the taxpayer submitting the request;

(3) description of the issue to be addressed;

(4) information demonstrating the frequency of the issue;

(5) any supporting materials and documents that provide background information on the issue; and

(6) any other relevant information and documents identified by the commissioner.

(b) The commissioner must acknowledge all submitted requests within 21 days of receipt. The person making the request must provide additional information and documents as requested by the commissioner within 60 days of the request. Failure to timely provide the requested information and documents may result in the request being denied. Upon the commissioner's receipt of all requested additional information and documents, the person's request is considered complete.

(c) The commissioner must respond to all requests for revenue rulings either by issuance of a ruling or by letter explaining why the commissioner declined to issue a ruling. If the commissioner declines the request, the commissioner shall provide the person making the request with a letter explaining the reasons for declining to do so within 45 days of receipt of the completed request. If the commissioner does not decline the completed request, the commissioner shall complete the revenue ruling and submit the revenue ruling for feedback under subdivision 5 within 210 days of the commissioner's receipt of the completed request.

(d) The commissioner's revenue rulings, decisions to decline to issue revenue rulings, and other determinations made under this section may not be appealed.

Subd. 5. **Review and publication.** The commissioner shall seek feedback from the tax section of the Minnesota State Bar Association and the Minnesota Society of Certified Public Accountants prior to publication of a revenue ruling. The commissioner shall publish the revenue ~~notices~~ rulings in the State Register and in any other manner that makes them accessible to the general public. ~~The commissioner may charge a reasonable fee for publications.~~ At least two weeks before publication of a revenue ruling in the State Register, the commissioner shall provide a copy of the ruling to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes.

Subd. 6. **Confidentiality.** Prior to publication or other public dissemination, the commissioner shall redact certain information from a revenue ruling or proposed ruling, including the name and address of the taxpayer and taxpayer's representative.

Subd. 7. **Effect of determination.** A determination of any kind made by the commissioner pursuant to this section is not a rule and is not subject to the Administrative Procedure Act contained in chapter 14.

Subd. 8. **Legislative report.** (a) On or before January 31, 2028, and on or before January 31 each year thereafter, the commissioner shall report in writing to the legislature the following information for the immediately preceding calendar year:

(1) the number of revenue ruling requests submitted and the number of those rulings subsequently issued;

(2) the tax types for which rulings were requested;

(3) the types and characteristics of taxpayers requesting rulings; and

(4) any other information that the commissioner considers relevant to legislative oversight of revenue rulings.

(b) The report must be filed as provided in sections 3.195 and 3.197 and copies must be provided to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes.

EFFECTIVE DATE. This section is effective July 1, 2026, except that the first legislative report under subdivision 8 is due January 31, 2028.

Sec. 8. Minnesota Statutes 2024, section 270C.08, is amended to read:

270C.08 TAX INFORMATION BULLETINS.

The commissioner may issue tax information bulletins. "Tax information bulletins" are informational guides to enable taxpayers and local governmental officials to become more familiar with state revenue laws and their rights and responsibilities under these laws. Nothing contained in the tax information bulletins supersedes, alters, or otherwise changes any provisions of the state revenue laws, administrative rules, court decisions, or revenue ~~notices~~ rulings.

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

Sec. 9. Minnesota Statutes 2024, section 270C.085, is amended to read:

270C.085 NOTIFICATION REQUIREMENTS; SALES AND USE TAXES.

The commissioner of revenue shall establish a means of electronically notifying persons holding a sales tax permit under section 297A.84 of any statutory change in chapter 297A and any issuance or change in any administrative rule, revenue ~~notice~~ ruling, or sales tax fact sheet or other written information provided by the department explaining the interpretation or administration of the tax imposed under that chapter. The notification must indicate the basic subject of the statute, rule, fact sheet, or other material and provide an electronic link to the material. Any person holding a sales tax permit that provides an electronic address to the department must receive these notifications unless they specifically request electronically, or in writing, to be removed from the notification list. This requirement does not replace traditional means of notifying the general public or persons without access to electronic communications of changes in the sales tax law.

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

Sec. 10. **[270C.45] CALCULATION AND DEPOSIT OF REVENUES TO THE SPORTS AND EVENTS REIMBURSEMENT PROGRAM ACCOUNT.**

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

(b) "Authorized entity" means an independent third-party economic analysis firm or research organization with demonstrated expertise in conducting economic impact studies for large-scale events, including the ability to quantify direct, indirect, and induced economic activity and estimate associated tax revenue generation.

(c) "Event" has the meaning given in section 116J.8753, subdivision 1, paragraph (c).

(d) "Local organizing committee" has the meaning given in section 116J.8753, subdivision 1, paragraph (e).

(e) "Site selection organization" has the meaning given in section 116J.8753, subdivision 1, paragraph (f).

(f) "University" means the University of Minnesota.

Subd. 2. **Determination of incremental increase in certain tax receipts.** (a) Following each event, a local organizing committee must request a determination of the incremental increase in tax revenues directly attributable to the event. The request must be submitted to the university or authorized entity in the form and manner prescribed by the university and the commissioner. The university must notify a local organizing committee within seven days if the university is unable to provide a determination. Upon notification, a local organizing committee must request a determination from an authorized entity.

(b) Within ten days of the conclusion of an event, the university must commence an estimate of the incremental increase in tax revenues listed in paragraph (c) that the university or authorized entity determines are directly attributable to the preparation for and presentation of an event for a one-year period that begins two months before the date on which the event will begin. The university or authorized entity must use the information submitted by the local organizing committee under paragraph (a) for each event.

(c) Revenues from the following taxes must be included in the determination of incremental increase under paragraph (b):

(1) notwithstanding section 297A.62, subdivision 4, the tax imposed under section 297A.62, subdivision 1;

(2) the taxes imposed under section 297A.64, subdivisions 1 and 2;

(3) the tax imposed under section 295.75;

(4) the tax imposed under section 295.81;

(5) the fee imposed under section 168E.03; and

(6) the taxes imposed under sections 290.02 and 290.03.

Subd. 3. **Deposit of revenues.** Within 30 days after the determination of incremental increase in the tax revenues under subdivision 2, paragraph (b), the commissioner must disburse the amount of the incremental increase to the local organizing committee for the purposes enumerated in section 116J.8753, subdivision 5. The commissioner of revenue must not make any disbursement to an entity other than the local organizing committee that requested a determination of incremental increase for an event under subdivision 2, paragraph (a).

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

Sec. 11. Minnesota Statutes 2024, section 270C.56, subdivision 1, is amended to read:

Subdivision 1. **Liability imposed.** A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes arising under chapters 295, 296A, 297A, 297F, and 297G, or sections 290.034, 290.92, and 297E.02, and the applicable penalties and interest on those taxes.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 12. Minnesota Statutes 2024, section 289A.40, subdivision 1, is amended to read:

Subdivision 1. **Time limit; generally.** (a) Unless otherwise provided in this chapter, a claim for a refund of an overpayment of state tax must be filed within 3-1/2 years from the date prescribed for filing the return, plus any extension of time granted for filing the return, but only if filed within the extended time, or ~~one year from the date of an order assessing tax under section 270C.33 or an order determining an appeal under section 270C.35, subdivision 8, or one year from the date of a return made by the commissioner under section 270C.33, subdivision 3, upon payment in full of the tax, penalties, and interest shown on the order or return made by the commissioner~~ two years from the date the tax, penalties, or interest was paid, whichever period expires later. ~~Claims for refund, except for taxes under chapter 297A, filed after the 3-1/2 year period but within the one-year period are limited to the amount of the tax, penalties, and interest on the order or return made by the commissioner and to issues determined by the order or return made by the commissioner.~~

~~In the case of assessments under section 289A.38, subdivision 5 or 6, claims for refund under chapter 297A filed after the 3-1/2 year period but within the one-year period are limited to the amount of the tax, penalties, and interest on the order or return made by the commissioner that are due for the period before the 3-1/2 year period.~~

(b) For purposes of this subdivision, the amount of a refund is limited as follows:

(1) if the claim was filed by the taxpayer during the 3-1/2 year period prescribed in paragraph (a), the refund must not exceed the tax, penalties, and interest paid within the period, immediately preceding the filing of the claim, equal to 3-1/2 years plus any extension of time granted for filing the return, but only if filed within the extended time;

(2) if the claim was not filed by the taxpayer within the 3-1/2 year period prescribed in paragraph (a), the refund must not exceed the tax, penalties, and interest paid during the two years immediately preceding the filing of the claim; and

(3) if no claim was filed by the taxpayer, the refund must not exceed the amount which would be allowable under clause (1) or (2), if the claim was filed on the date the refund is allowed.

(c) For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the last day prescribed for filing the return is considered to be filed on the last day. If an extension for filing a return is granted, a return filed before the extended due date is considered to be filed on the extended due date.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to claims for refund filed on or after that date.

Sec. 13. Minnesota Statutes 2024, section 289A.60, subdivision 6, is amended to read:

Subd. 6. **Penalty for failure to file, false or fraudulent return, evasion.** (a) If a person, with intent to evade or defeat a tax or payment of tax, fails to file a return, files a false or fraudulent return, or attempts in any other manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax, less amounts paid by the person on the basis of the false or fraudulent return, if any, due for the period to which the return related.

(b) If a person files a false or fraudulent return that includes a claim for refund, there is imposed on the person a penalty equal to 50 percent of the portion of any refund claimed that is attributable to fraud. The penalty under this paragraph is in addition to any penalty imposed under paragraph (a) or (c).

(c) If a person receives money, whether reported or not reported on a return, that is due to fraud of a public program as defined in section 290.034, subdivision 1, without regard to whether a conviction resulted, there may be imposed on the person a penalty equal to 100 percent of the amounts received attributable to the fraud. The penalty under this paragraph is in addition to any penalty imposed under paragraph (a) or (b). This penalty must not be assessed on any amounts already assessed under section 290.034. Any amounts collected must be deposited to the tax relief account identified in section 290.034, subdivision 5.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 14. **[290.034] TAX ON AMOUNTS OBTAINED THROUGH FRAUD.**

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

(b) "First-tier rate" means the lowest rate cited in section 290.06, subdivision 2c, paragraphs (a) to (c).

(c) "Public program" and "fraud" have the meanings given in section 13.357.

(d) "Program fraud amount" means the amount of money acquired directly or indirectly by fraud of a public program that is certified to the commissioner under subdivision 4. This definition excludes refunds for overpayment of taxes.

Subd. 2. **Tax imposed.** (a) A tax equal to 100 percent of the program fraud amount is imposed on any person or organization convicted by a state or federal court of fraud.

(b) The tax under this section applies regardless of any amount of restitution, tax, or penalty imposed on or paid by a person or organization described in paragraph (a).

(c) If multiple persons or organizations are convicted of the same fraud, the liability shall be joint and several on the convicted persons or organizations.

(d) The assessment of this tax under paragraph (a) is considered a jeopardy assessment or jeopardy collection as provided in section 270C.36.

Subd. 3. **Data sharing.** As authorized by section 270B.14, subdivision 25, the commissioner may share with the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension active investigative data related to enforcement of this section.

Subd. 4. **Agency certification.** (a) After a conviction of a person or organization of fraud of a public program, the agency primarily responsible for administering the public program must certify to the commissioner the name of the person or organization, the name of the public program involved, and the amount of money the court determines the person or organization was responsible for in the conviction, regardless of the restitution amount.

(b) The agency's certification must be in the form and manner prescribed by the commissioner.

(c) An agency's certification to the commissioner is prima facie correct and valid. The person or organization has the burden of establishing its incorrectness or invalidity in any related action or proceeding.

Subd. 5. **Deposit of money.** (a) A tax relief account is established in the special revenue fund. The commissioner must deposit the money collected from the tax imposed under this section to the tax relief account.

(b) The funds will remain in this account until the following:

(1) by December 15 of each year, the commissioner must determine the amount in the tax relief account and determine the amount of a reduction in the first-tier rate for the following taxable year. The determination is based using the most recent November forecast required under section 16A.103;

(2) when there is enough money accumulated in the tax relief account, the commissioner must reduce the first-tier rate for the following taxable year. This reduction must be calculated to approximate the amount currently on deposit in the tax relief fund. The reduction must only be for that taxable year. The threshold for a reduction of the rate must not be below one-tenth of one percent; and

(3) if the rate is reduced for the following taxable year under clause (2), the amounts in the tax relief fund must be deposited in the general fund.

EFFECTIVE DATE. This section is effective for convictions of fraud made after December 31, 2025.

Sec. 15. Minnesota Statutes 2024, section 290.62, is amended to read:

290.62 DISTRIBUTION OF REVENUES.

Subdivision 1. **Deposit of revenues; general fund; refunds.** Except as provided in subdivision 2, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Subd. 2. **Deposit of revenues; sports and events reimbursement program.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected in taxable years beginning after the day following final enactment.

Sec. 16. Minnesota Statutes 2024, section 295.75, subdivision 11, is amended to read:

Subd. 11. **Deposit of revenues; sports and events reimbursement program account.** Except as provided in subdivision 11a, the commissioner shall deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 17. Minnesota Statutes 2024, section 295.75, is amended by adding a subdivision to read:

Subd. 11a. **Deposit of revenues; sports and events reimbursement program account.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 18. Minnesota Statutes 2025 Supplement, section 295.81, subdivision 10, is amended to read:

Subd. 10. **Deposit of revenues; account established.** Except as provided in subdivision 10a, the commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 19. Minnesota Statutes 2024, section 295.81, is amended by adding a subdivision to read:

Subd. 10a. **Deposit of revenues; sports and events reimbursement program account.** The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

EFFECTIVE DATE. This section is effective for revenues collected for sales and purchases made after the day following final enactment.

Sec. 20. Minnesota Statutes 2025 Supplement, 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) Each month the commissioner must deposit an amount equal to the estimated 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) a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 and 2025;

(ii) 43 percent in fiscal year 2026;

(iii) 41 percent in fiscal year 2027;

(iv) 36 percent in fiscal year 2028;

(v) 30 percent in fiscal year 2029;

(vi) 36 percent in each of fiscal years 2030 to 2034;

(vii) 38.5 percent in fiscal year 2035;

(viii) 41 percent in fiscal year 2036; and

(ix) 43.5 percent in fiscal year 2037 and thereafter;

(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.

After each February forecast, and prior to the following April 15, the commissioner shall estimate the monthly deposit amount for use in the following fiscal year based on the estimate of average revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts from the department's three most recent consumption tax models. 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) The commissioner must deposit the share of revenues of the taxes imposed under this chapter that are directly attributable to an event in the amount determined under section 270C.45 to the sports and events reimbursement program account.

~~(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 revenue collected for sales and purchases made after the day following final enactment.

Sec. 21. Minnesota Statutes 2025 Supplement, section 299C.061, subdivision 6, is amended to read:

Subd. 6. **Data sharing authorized.** Notwithstanding chapter 13 or any other statute related to the classification of government data to the contrary, state agencies making a referral under subdivision 4 or 5 shall provide data related to the suspected fraudulent activity to the Section, including data classified as not public. The Section may share active criminal investigative data concerning insurance fraud with the Department of Commerce and active criminal investigative data concerning tax administration with the Department of Revenue. Data shared by the Section under this subdivision are classified under section 13.82, subdivision 7.

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

Sec. 22. Minnesota Statutes 2024, section 383A.80, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The authority to impose the tax under this section expires January 1, ~~2028~~ 2036.

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

Sec. 23. Minnesota Statutes 2024, section 383B.80, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The authority to impose the tax under this section expires January 1, ~~2028~~ 2036.

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

Sec. 24. **EFFECT OF REVENUE NOTICES.**

A revenue notice published by the commissioner of revenue on or before July 1, 2026, has the full force and effect of revenue rulings under Minnesota Statutes, section 270C.07. If the commissioner of revenue modifies a revenue notice after June 30, 2026, the commissioner of revenue must publish the modification as a revenue ruling pursuant to Minnesota Statutes, section 270C.07.

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

Sec. 25. **NO OBLIGATION TO LIST ON LIQUOR POSTING; TEMPORARY AUTHORITY.**

(a) Notwithstanding Minnesota Statutes, section 270C.725, the commissioner of revenue is under no obligation to list a qualifying taxpayer whose business is a place of public accommodation.

(b) For purposes of this section the following definitions apply:

(1) "qualifying taxpayer" means a taxpayer that:

(i) is ten days or more delinquent in either filing a tax return or paying a tax imposed by Minnesota Statutes, sections 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, or 297A.62, or local sales and use tax payable to the commissioner of revenue, or a local option tax administered and collected by the commissioner of revenue; and

(ii) within seven days of receiving notification from the commissioner of revenue of the intended action to list the taxpayer on the liquor posting, has filed a request for abatement of penalty under Minnesota Statutes, section 270C.34 or section 289A.60, subdivision 4, or a request for abatement of interest or additional tax charge; and

(2) "place of public accommodation" has the meaning given in Minnesota Statutes, section 363A.03, subdivision 34.

(c) This section expires December 31, 2027.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2026, and applies to taxes first required to be paid, and returns first required to be filed, after that date.

Sec. 26. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

(a) $250,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The grant must be paid by June 30, 2026. The grant under this section is not subject to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

(b) The grant under this section must be used by the city of South St. Paul to pay for planning and development costs within the city.

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

Sec. 27. **APPROPRIATION; PROFESSIONAL GOLFERS' ASSOCIATION OF AMERICA (PGA) CHAMPIONSHIP EVENTS.**

$7,000,000 in fiscal year 2027 is appropriated from the general fund to the director of Explore Minnesota for a grant to the city of Chaska to attract, and for costs associated with hosting, a package of future PGA of America championship-level events, which shall include at least one men's PGA championship and one women's PGA championship. This appropriation is onetime and is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the director may use up to two percent of the amount appropriated for administrative costs.

Sec. 28. **CANCELLATIONS.**

$7,000,000 of the fiscal year 2024 Minnesota forward fund account appropriation in Laws 2023, chapter 53, article 21, section 7, paragraph (c), is canceled.

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

Sec. 29. **TRANSFER.**

$7,000,000 in fiscal year 2027 is transferred from the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 3, to the general fund. This is a onetime transfer.

ARTICLE 12

DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2024, section 289A.08, subdivision 7, is amended to read:

Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers,

income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed. The computation of a partner's net investment income tax liability must be computed under section 290.033.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership, other electing partnerships, and other qualifying entities electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is only available to a partner who has no other Minnesota source income and who is either (1) a full-year nonresident individual or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the Internal Revenue Code.

(h) The composite return election provided in this subdivision is available to a nonresident partner who incurs an accelerated gain on installment sales under section 290.0137, paragraph (a). A nonresident partner who elects to defer the gain on installment sales under section 290.0137, paragraph (b), cannot utilize the composite return election for the partnership until the recognition of the deferred gain is completed. A nonresident who makes the election in section 290.0137, paragraph (b), must report the deferred gain on the nonresident's individual income tax return in the manner prescribed by the commissioner.

~~(h)~~ (i) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this ~~paragraph~~ subdivision. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to the shareholder.

~~(i)~~ (j) Estates and trusts distributing current income only and the nonresident individual beneficiaries of the estates or trusts may make an election under this ~~paragraph~~ subdivision. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to the beneficiary.

~~(j)~~ (k) For the purposes of this subdivision, "income" has the meaning given in section 290.01, subdivision 19, paragraph (h).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 2. Minnesota Statutes 2024, section 290.01, subdivision 19, is amended to read:

Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a corporation taxable under section 290.02, the term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in sections 290.0131 to 290.0136.

(b) For an individual, the term "net income" means federal adjusted gross income with the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

(c) In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

(d) The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

(e) The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

(f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for taxable years beginning after December 31, 1996.

(g) Except as otherwise provided, references to the Internal Revenue Code in this subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of determining net income for the applicable year.

(h) In the case of a partnership electing to file a composite return under section 289A.08, subdivision 7, "net income" means the partner's share of federal adjusted gross income from the partnership modified by:

(1) the additions provided in section 290.0131, subdivisions 8 to 10, 16, and 17, and 290.0137, paragraph (a); and

(2) the subtractions provided in: ~~(1)~~ (i) section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; ~~and (2)~~ (ii) section 290.0132, subdivision 14; and (iii) section 290.0137, paragraph (c).

The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent the electing partner would have been allowed the subtraction.

(i) In the case of a qualifying entity electing to pay the pass-through entity tax under section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal adjusted gross income from the qualifying entity modified by the additions provided in section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the pass-through entity tax computation to the extent the qualifying owners would have been allowed the subtraction. The income of both a resident and nonresident qualifying owner is allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

Sec. 3. Minnesota Statutes 2024, section 290.0137, is amended to read:

290.0137 ACCELERATED RECOGNITION OF CERTAIN INSTALLMENT SALE GAINS.

(a) In the case of a nonresident individual or a person who becomes a nonresident individual during the tax year, taxable net income shall include the amount realized upon a sale of the assets of, or any interest in, an S corporation or partnership that operated in Minnesota during the year of sale, including any income or gain to be recognized in future years pursuant to an installment sale method of reporting under the Internal Revenue Code.

(1) For the purposes of this paragraph, an individual who becomes a nonresident of Minnesota in any year after an installment sale is required to recognize the full amount of any income or gain described in this paragraph on the individual's final Minnesota resident tax return to the extent that such income has not been recognized in a prior year.

(2) For the purposes of this section, "realized" has the meaning given in section 1001(b) of the Internal Revenue Code.

(3) For the purposes of this section, "installment sale" means any installment sale under section 453 of the Internal Revenue Code and any other sale that is reported utilizing a method of accounting authorized under subchapter E of the Internal Revenue Code that allows taxpayers to delay reporting or recognizing a realized gain until a future year.

(b) Notwithstanding paragraph (a), nonresident taxpayers may elect to defer recognizing unrecognized installment sale gains by making an election under this paragraph. The election must be filed on a form to be determined or prescribed by the commissioner and must be filed by the due date of the individual income tax return, including any extension. Electing taxpayers must make an irrevocable agreement to:

(1) file Minnesota tax returns in all subsequent years when gains from the installment sales are recognized and reported to the Internal Revenue Service;

(2) allocate gains to the state of Minnesota as though the gains were realized in the year of sale under section 290.17, 290.191, or 290.20; and

(3) include all relevant federal tax documents reporting the installment sale with subsequent Minnesota tax returns.

(c) Income or gain recognized for Minnesota purposes pursuant to paragraph (a) must be excluded from taxable net income in any future year that ~~the taxpayer files a Minnesota tax return~~ a composite Minnesota tax return is filed to the extent that the income or gain has already been subject to tax pursuant to paragraph (a). If a composite Minnesota tax return is not filed, then any income or gain recognized for Minnesota purposes under paragraph (a) must be excluded from taxable net income in any future year in which the taxpayer files a Minnesota tax return to the extent that the income or gain has already been subject to tax pursuant to paragraph (a).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2025.

ARTICLE 13

DEPARTMENT OF REVENUE; PROPERTY TAXES

Section 1. Minnesota Statutes 2024, section 273.032, is amended to read:

273.032 MARKET VALUE DEFINITION.

(a) Unless otherwise provided, for the purpose of determining any property tax levy limitation based on market value or any limit on net debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market value, any qualification to receive state aid based on market value, or any state aid amount based on market value, the terms "market value," "estimated market value," and "market valuation," whether equalized or unequalized, mean the estimated market value of taxable property within the local unit of government before any of the following or similar adjustments for:

(1) the market value exclusions under:

(i) section 273.11, subdivisions 14a and 14c (vacant platted land);

~~(ii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);~~

~~(iii)~~ (ii) section 273.11, subdivision 21 (homestead property damaged by mold);

~~(iv)~~ (iii) section 273.13, subdivision 34 (homestead of a veteran with a disability or family caregiver); or

~~(v)~~ (iv) section 273.13, subdivision 35 (homestead market value exclusion); or

(2) the deferment of value under:

(i) the Minnesota Agricultural Property Tax Law, section 273.111;

(ii) the Aggregate Resource Preservation Law, section 273.1115;

(iii) the Minnesota Open Space Property Tax Law, section 273.112;

(iv) the rural preserves property tax program, section 273.114; or

(v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

(3) the adjustments to tax capacity for:

(i) tax increment financing under sections 469.174 to 469.1794;

(ii) fiscal disparities under chapter 276A or 473F; or

(iii) powerline credit under section 273.425.

(b) Estimated market value under paragraph (a) also includes the market value of tax-exempt property if the applicable law specifically provides that the limitation, qualification, or aid calculation includes tax-exempt property.

(c) Unless otherwise provided, "market value," "estimated market value," and "market valuation" for purposes of property tax levy limitations and calculation of state aid, refer to the estimated market value for the previous assessment year and for purposes of limits on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the estimated market value as last finally equalized.

(d) For purposes of a provision of a home rule charter or of any special law that is not codified in the statutes and that imposes a levy limitation based on market value or any limit on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market value, the terms "market value," "taxable market value," and "market valuation," whether equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

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

Sec. 2. Minnesota Statutes 2024, section 273.111, subdivision 9, is amended to read:

Subd. 9. **Additional taxes.** ~~(a) Except as provided in paragraph (b),~~ When real property which is being, or has been valued and assessed under this section no longer qualifies under subdivision 3, the portion no longer qualifying shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5. Provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

~~(b) Real property that has been valued and assessed under this section prior to May 29, 2008, and that ceases to qualify under this section after May 28, 2008, and is withdrawn from the program before August 16, 2010, is not subject to additional taxes under this subdivision or subdivision 3, paragraph (c). If additional taxes have been paid under this subdivision with respect to property described in this paragraph prior to April 3, 2009, the county must repay the property owner in the manner prescribed by the commissioner of revenue.~~

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

Sec. 3. **REPEALER.**

Minnesota Statutes 2024, sections 272.02, subdivision 31; 273.11, subdivisions 19 and 20; 273.1315, subdivision 1; 273.1385; 273.25; 273.65; 273.66; 273.67; 274.07; 428B.02, subdivision 7; 477A.085; and 477A.18, are repealed.

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

ARTICLE 14

DEPARTMENT OF REVENUE; MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, excluding the amounts listed in paragraph (b), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range schools and community development account under section 298.28, subdivision 7a;

(3) obligations for long-term facilities maintenance under section 123B.595;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness or capital loans, debt service equalization aid must be computed separately for each of the preexisting districts.

~~(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.~~

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

Sec. 2. Minnesota Statutes 2024, section 123B.535, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible natural disaster debt service revenue of a district is defined as the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district that would otherwise qualify under section 123B.53 under the following conditions:

(1) the district was impacted by a natural disaster event or area occurring January 1, 2005, or later, as declared by the President of the United States of America, which is eligible for Federal Emergency Management Agency payments;

(2) the natural disaster caused $500,000 or more in damages to school district buildings; and

(3) the repair and replacement costs are not covered by insurance payments or Federal Emergency Management Agency payments.

(b) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

~~(c) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.~~

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry, the Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

~~(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;~~

~~(18)~~ (17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System;

~~(19)~~ (18) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B; and

~~(20)~~ (19) the executive director or interim executive director of the Minnesota Secure Choice Retirement Program established under chapter 187 for the purposes of assisting with communication with employers and to verify employer compliance with chapter 187.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 4. Minnesota Statutes 2024, section 270B.14, subdivision 3, is amended to read:

Subd. 3. **Administration of enterprise and job opportunity programs.** The commissioner may disclose return information relating to the taxes imposed by chapters 290 and 297A to the Department of Employment and Economic Development or a municipality with a border city enterprise zone as defined under section 469.166, but only as necessary to administer the funding limitations under section 469.169~~, or to the Department of Employment and Economic Development~~

~~and appropriate officials from the local government units in which a qualified business is located but only as necessary to enforce the job opportunity building zone benefits under section 469.315~~.

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

Sec. 5. Minnesota Statutes 2024, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR ~~AND STATE AUDITOR~~.

~~(a)~~ Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

~~(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.~~

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

Sec. 6. Minnesota Statutes 2024, section 270C.055, is amended by adding a subdivision to read:

Subd. 4. **Venue.** Unless otherwise provided in chapter 289A, if two or more criminal offenses under the state revenue laws or chapter 349 are committed by the same person in more than one county, the accused may be prosecuted for all the offenses in any county in which one of the offenses was committed.

EFFECTIVE DATE. This section is effective for criminal offenses committed after July 31, 2026.

Sec. 7. Minnesota Statutes 2024, section 290.01, subdivision 29, is amended to read:

Subd. 29. **Taxable income.** The term "taxable income" means:

(1) for individuals, estates, and trusts, the same as taxable net income;

(2) for corporations, the taxable net income less

(i) the net operating loss deduction under section 290.095; and

(ii) the dividends received deduction under section 290.21, subdivision 4~~; and~~.

~~(iii) the exemption for operating in a job opportunity building zone under section 469.317.~~

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

Sec. 8. Minnesota Statutes 2024, section 290.0921, subdivision 3, is amended to read:

Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be

computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable income.

(2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is allowed as a depreciation deduction in determining alternative minimum taxable income.

(3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(7) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(8) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(9) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision 8.

~~(10) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.~~

~~Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.~~

~~(11)~~ (10) The subtraction for disallowed section 280E expenses under section 290.0134, subdivision 19, is allowed as a deduction in determining alternative minimum taxable income.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

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

Sec. 9. Minnesota Statutes 2024, section 290.0922, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** The following entities are exempt from the tax imposed by this section:

(1) corporations exempt from tax under section 290.05;

(2) real estate investment trusts;

(3) regulated investment companies or a fund thereof;

(4) entities having a valid election in effect under section 860D(b) of the Internal Revenue Code;

(5) township mutual insurance companies; and

(6) cooperatives organized under chapter 308A, 308B, or 308C that provide housing exclusively to persons age 55 and over and are classified as homesteads under section 273.124, subdivision 3; and.

~~(7) a qualified business as defined under section 469.310, subdivision 11, if for the taxable year all of its property is located in a job opportunity building zone designated under section 469.314 and all of its payroll is a job opportunity building zone payroll under section 469.310.~~

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

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

Sec. 10. Minnesota Statutes 2024, section 290.0922, subdivision 3, is amended to read:

Subd. 3. **Definitions.** (a) "Minnesota sales or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, and any other tangible property located in Minnesota~~, but does not include the property of a qualified business as defined under section 469.310, subdivision 11, that is located in a job opportunity building zone designated under section 469.314~~. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, but does not include the job opportunity building zone payroll under section 469.310, subdivision 8, of a qualified business as defined under section 469.310, subdivision 11. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

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

Sec. 11. Minnesota Statutes 2024, section 295.52, subdivision 5, is amended to read:

Subd. 5. **Volunteer ambulance services.** Volunteer ambulance services are not subject to the tax under this section. For purposes of this requirement, "volunteer ambulance service" means an ambulance service in which all of the individuals whose primary responsibility is direct patient care meet the definition of volunteer ambulance attendant under section 144E.001, subdivision 15. The ambulance service may employ administrative and support staff, and remain eligible for this exemption, if the primary responsibility of these staff is not direct patient care.

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

Sec. 12. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(2) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(3) building materials for correctional facilities under section 297A.71, subdivision 3;

(4) building materials used in a residence for veterans with a disability exempt under section 297A.71, subdivision 11;

(5) elevators and building materials exempt under section 297A.71, subdivision 12;

(6) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23;

(7) materials, supplies, and equipment for municipal electric utility facilities under section 297A.71, subdivision 35;

~~(8) equipment and materials used for the generation, transmission, and distribution of electrical energy and an aerial camera package exempt under section 297A.68, subdivision 37;~~

~~(9)~~ (8) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph (a), clause (10);

~~(10)~~ (9) materials, supplies, and equipment for construction or improvement of projects and facilities under section 297A.71, subdivision 40;

~~(11)~~ (10) enterprise information technology equipment and computer software for use in a qualified data center, qualified large-scale data center, or qualified refurbished data center exempt under section 297A.68, subdivision 42;

~~(12)~~ (11) materials, supplies, and equipment for qualifying capital projects under section 297A.71, subdivision 44, paragraphs (a) and (b);

~~(13)~~ (12) items purchased for use in providing critical access dental services exempt under section 297A.70, subdivision 7, paragraph (c);

~~(14)~~ (13) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

~~(15)~~ (14) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions ~~49;~~ 50, paragraph (b)~~;~~, and 51;

~~(16)~~ (15) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52;

~~(17)~~ (16) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53; and

~~(18)~~ (17) building materials, equipment, and supplies for constructing, remodeling, or improving a sustainable aviation fuel facility exempt under section 297A.71, subdivision 54.

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

Sec. 13. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

(1) for subdivision 1, clauses (1), (2), and ~~(13)~~ (12), the applicant must be the purchaser;

(2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

(3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;

(4) for subdivision 1, clause (5), the applicant must be the owner of the homestead property;

(5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

(6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities;

(7) for subdivision 1, clauses ~~(8), (11), and (14)~~ (10) and (13), the owner of the qualifying business;

(8) for subdivision 1, clauses ~~(9), (10), (12), (16), and (17)~~ (8), (9), (11), (15), and (16), the applicant must be the governmental entity that owns or contracts for the project or facility;

(9) for subdivision 1, clause ~~(15)~~ (14), the applicant must be the owner or developer of the building or project; and

(10) for subdivision 1, clause ~~(18)~~ (17), the applicant must be the owner or developer of the sustainable aviation fuel facility.

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

Sec. 14. Minnesota Statutes 2025 Supplement, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clauses (3) to ~~(12)~~ (11) or ~~(14) to (18)~~ (13) to (17), the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

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

Sec. 15. Minnesota Statutes 2025 Supplement, 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) Each month the commissioner must deposit an amount equal to the estimated 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) a percentage to the highway user tax distribution fund as follows:

(i) 43.5 percent in each of fiscal years 2024 and 2025;

(ii) 43 percent in fiscal year 2026;

(iii) 41 percent in fiscal year 2027;

(iv) 36 percent in fiscal year 2028;

(v) 30 percent in fiscal year 2029;

(vi) 36 percent in each of fiscal years 2030 to 2034;

(vii) 38.5 percent in fiscal year 2035;

(viii) 41 percent in fiscal year 2036; and

(ix) 43.5 percent in fiscal year 2037 and thereafter;

(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.

After each February forecast, and prior to the following April 15, the commissioner shall estimate the monthly deposit amount for use in the following fiscal year based on the estimate of average revenue derived from the taxes imposed under section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts from the department's three most recent consumption tax models. If, after the commissioner estimates the monthly deposit amounts and prior to July 1, the rate of tax imposed under section 297A.62, subdivision 1, or the percentages specified under this paragraph are impacted by a law change, then the commissioner must update the estimated deposit amount by July 15. 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) The revenues deposited under paragraphs (a) to (l) 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 retroactively from January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 297B.03, is amended to read:

297B.03 EXEMPTIONS.

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.67, subdivision 11;

(2) purchase or use of any motor vehicle by any person who was a resident of another state or country at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota and the motor vehicle was registered in the person's name in the other state or country;

(3) purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.90;

(4) purchase or use of any motor vehicle previously registered in the state of Minnesota when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code, as amended through December 16, 2016;

(5) purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota-based private or for-hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales tax or sales tax on motor vehicles used in interstate commerce;

(6) purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs;

(7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10 when that vehicle is equipped and specifically intended for emergency response or for providing ambulance service;

(8) purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

(9) purchase of a ready-mixed concrete truck;

(10) purchase or use of a motor vehicle by a town for use exclusively for road maintenance, including snowplows and dump trucks, but not including automobiles, vans, or pickup trucks;

(11) purchase or use of a motor vehicle by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, except a public school, university, or library, but only if the vehicle is:

(i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(ii) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose;

(12) purchase of a motor vehicle for use by a transit provider exclusively to provide transit service is exempt if the transit provider is either (i) receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29, 473.388, or 473.405;

~~(13) purchase or use of a motor vehicle by a qualified business, as defined in section 469.310, located in a job opportunity building zone, if the motor vehicle is principally garaged in the job opportunity building zone and is primarily used as part of or in direct support of the person's operations carried on in the job opportunity building zone. The exemption under this clause applies to sales, if the purchase was made and delivery received during the duration of the job opportunity building zone. The exemption under this clause also applies to any local sales and use tax;~~

~~(14)~~ (13) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own program from a charitable organization that is:

(i) described in section 501(c)(3) of the Internal Revenue Code; and

(ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4;

~~(15)~~ (14) purchase of a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990; and

~~(16)~~ (15) purchase of a motor vehicle by a veteran having a total service-connected disability, as defined in section 171.01, subdivision 51.

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

Sec. 17. 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.

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

Sec. 18. **REPEALER.**

Minnesota Statutes 2024, sections 272.02, subdivision 64; 272.029, subdivision 7; 289A.12, subdivision 15; 290.06, subdivision 29; 297A.68, subdivision 37; 469.310; 469.311; 469.312; 469.313; 469.314; 469.315; 469.316; 469.317; 469.318; 469.3181; 469.319; 469.3191; 469.3192; 469.3193; 469.320; and 469.3201, are repealed.

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

Delete the title and insert:

"A bill for an act relating to taxation; modifying individual income and corporate franchise taxes, property taxes, sales and use taxes, excise taxes, local government aids, tax increment financing provisions, local sales and use taxes, mining and mineral taxes, public finance provisions, and other miscellaneous taxes and tax-related provisions; providing for certain federal conformity; modifying and providing for income tax credits and subtractions; modifying and providing for property tax exemptions and classifications; providing for certain sales tax exemptions; establishing a social media tax; authorizing and modifying local sales taxes; establishing seasonal tax base replacement aid and federal enforcement reimbursement aid; modifying and providing for various local government aids; establishing and modifying various programs; modifying and clarifying certain definitions; establishing a Hennepin County health care tax; establishing a tax on amounts acquired by fraud; modifying the allocation of production tax proceeds; making related clarifying and technical changes; requiring and modifying reports; modifying and canceling appropriations; appropriating and transferring money; amending Minnesota Statutes 2024, sections 16A.726; 41A.30, subdivisions 1, 2, 7; 116U.27, subdivisions 1, 4, 5; 123B.53, subdivision 1; 123B.535, subdivision 1; 126C.17, by adding a subdivision; 168E.09, subdivision 2, by adding a subdivision; 270B.14, subdivision 3, by adding a subdivision; 270B.15; 270C.055, by adding a subdivision; 270C.07; 270C.08; 270C.085; 270C.56, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 101, by adding subdivisions; 273.032; 273.111, subdivision 9; 273.124, subdivision 14; 273.13, subdivision 34; 289A.02, subdivision 7; 289A.08, subdivision 7; 289A.40, subdivision 1; 289A.60, subdivision 6; 290.01, subdivisions 19, 29, 31; 290.0132, subdivision 11; 290.0137; 290.0681, subdivisions 3, 4; 290.0683,

subdivisions 1, 3; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.62; 290.92, by adding a subdivision; 290A.03, subdivision 15; 291.005, subdivision 1; 295.52, subdivision 5; 295.75, subdivision 11, by adding a subdivision; 295.81, by adding a subdivision; 297A.993, subdivision 4; 297A.994, subdivision 4; 297B.03; 297H.01, subdivisions 2, 8; 298.225; 298.227; 298.28, subdivisions 2, 3, 4, 7a, 8, 9a, 9b, 11, by adding a subdivision; 298.282, subdivision 1; 383A.80, subdivision 4; 383B.80, subdivision 4; 428B.02, subdivision 4; 462A.40, subdivision 3; 469.060, subdivision 3; 469.171, subdivisions 1, 4, 6a; 469.1731, subdivision 1; 469.176, subdivision 2; 473.756, by adding a subdivision; 473.757, subdivisions 1, 2, 3, 4, 7, 8, 9, 10, 11, by adding subdivisions; 473.759, subdivision 3; 477A.011, subdivision 34, by adding a subdivision; 477A.23, subdivision 6; 477A.35, subdivisions 4, 6; 477A.36, subdivisions 4, 5a, 6; Minnesota Statutes 2025 Supplement, sections 41A.30, subdivision 5; 41B.0391, subdivisions 2, 4, 6a; 116U.27, subdivision 2; 126C.13, subdivision 4; 268.19, subdivision 1; 273.13, subdivisions 22, 23; 295.81, subdivision 10; 297A.75, subdivisions 1, 2, 3; 297A.94; 299C.061, subdivision 6; 299C.76, subdivision 1; 477A.35, subdivision 5; 477A.36, subdivision 5; Laws 1986, chapter 400, section 44, as amended; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, 2b, as added, 3, as amended, 5, as amended; Laws 1996, chapter 471, article 2, section 30, subdivision 5, as amended; Laws 1998, chapter 389, article 8, sections 36; 37, subdivision 2, as amended; Laws 2005, First Special Session chapter 3, article 5, section 38, as amended; Laws 2006, chapter 259, article 3, sections 9, subdivision 4, by adding subdivisions; 10, subdivisions 3, as amended, 4, as amended, 5, as amended; Laws 2019, First Special Session chapter 6, article 6, sections 17, subdivisions 1, 3, 4, by adding a subdivision; 28, subdivisions 3, 4, by adding a subdivision; Laws 2021, First Special Session chapter 14, article 8, section 5, subdivisions 2, as amended, 3, as amended; article 9, sections 9; 11; Laws 2023, chapter 64, article 5, section 25, subdivision 1; Laws 2025, First Special Session chapter 13, article 5, section 11, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 270C; 290; 295; repealing Minnesota Statutes 2024, sections 272.02, subdivisions 31, 64; 272.029, subdivision 7; 273.11, subdivisions 19, 20; 273.1315, subdivision 1; 273.1385; 273.25; 273.65; 273.66; 273.67; 274.07; 289A.12, subdivision 15; 290.06, subdivision 29; 297A.68, subdivision 37; 428B.02, subdivision 7; 469.310; 469.311; 469.312; 469.313; 469.314; 469.315; 469.316; 469.317; 469.318; 469.3181; 469.319; 469.3191; 469.3192; 469.3193; 469.320; 469.3201; 477A.085; 477A.18; 477A.30, subdivision 8."

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

Senator Cwodzinski from the Committee on Education Policy, to which were referred the following appointments:

PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD
Amy Aho
Liana Lingofelt
Gift Saloka
Brandee Shoemaker
Glazell Toledo
Jennifer Trask
Nathan Wood

Reports the same back with the recommendation that the appointments be confirmed.

Senator Murphy moved that the foregoing committee report be laid on the table. The motion prevailed.

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

SCHOOL TRUST LANDS
DIRECTOR
Aaron Vande Linde

Reports the same back with the recommendation that the appointment be confirmed.

Senator Murphy moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S.F. No. 3298: A bill for an act relating to health professions; modifying licensing and scope of practice for acupuncture and herbal medicine practice, athletic training, massage therapy, mortuary science, music therapy, physician assistant practice, social work, dentistry practice, marriage and family therapy, and pharmacy practice; establishing advisory councils; imposing civil penalties; amending Minnesota Statutes 2024, sections 144.0572, subdivision 1; 146A.06, subdivision 3; 146A.09, by adding a subdivision; 147A.01, subdivision 18; 147A.03, subdivision 1, by adding a subdivision; 147B.01, subdivisions 3, 4, 9, 14, by adding a subdivision; 147B.03, subdivisions 2, 3; 147B.05, subdivision 1; 147B.06, subdivisions 1, 5; 148.7802, subdivision 6, by adding a subdivision; 148.7806; 148.7807; 148.7814; 148B.35; 148E.065, subdivision 4a; 148E.195, subdivision 2a; 148E.280; 149A.02, subdivision 26; 149A.20, subdivisions 6, 7; 149A.30, subdivision 1; 150A.01, subdivision 6a; 150A.05, subdivisions 1, 2; 150A.06, subdivisions 1, 1a, 1b, 1c, 2, 2a, 2c, 2d, 3, 8, 9, 11; 150A.08, subdivision 1; 150A.081, subdivision 1; 150A.091, subdivisions 2, 4, 5, 7, 8, 9a, 10, 20, by adding a subdivision; 150A.10, subdivisions 1, 1a, 4; 150A.105, subdivision 8; 150A.106, subdivision 3; 150A.11, subdivision 1; 151.01, subdivision 27; 151.071, subdivision 2; 151.37, by adding a subdivision; 152.11, subdivision 2; 152.12, by adding a subdivision; Minnesota Statutes 2025 Supplement, sections 147B.06, subdivision 4; 150A.06, subdivision 12; 151.01, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 148; proposing coding for new law as Minnesota Statutes, chapter 148H; repealing Minnesota Statutes 2024, sections 147B.01, subdivision 18; 148.7802, subdivisions 4, 5; 150A.06, subdivision 6.

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

Page 3, after line 4, insert:

"Sec. 6. Minnesota Statutes 2024, section 147B.01, is amended by adding a subdivision to read:

Subd. 14a. **Low-level or cold laser.** "Low-level or cold laser" means a nonsurgical laser classified as Class III by the United States Food and Drug Administration."

Page 20, delete subdivision 3

Renumber the subdivisions in sequence

Page 31, line 22, before "submitting" insert ", in good faith,"

Page 34, line 5, delete "$285" and insert "$640.50"

Page 34, line 6, delete "$185" and insert "$640.50"

Page 54, line 6, delete "$....." and insert "$296"

Page 54, line 8, delete "$100" and insert "$296"

Page 56, line 20, delete "BOARD OF" and after "WORK" insert "PRACTICE"

Page 81, line 14, delete "BOARD OF" and after "THERAPY" insert "PRACTICE"

Page 91, after line 29, insert:

"ARTICLE 11

PHYSICAL THERAPY PRACTICE

Section 1. Minnesota Statutes 2024, section 148.65, subdivision 5, is amended to read:

Subd. 5. **Student physical therapist.** "Student physical therapist" means a person in a professional educational program, approved by the board under section 148.705, who is satisfying supervised clinical education requirements by performing physical therapy under the ~~on-site~~ direct supervision of a licensed physical therapist. ~~"On-site supervision" means the physical therapist is easily available for instruction to the student physical therapist. The physical therapist shall have direct contact with the patient during at least every second treatment session by the student physical therapist.~~ "Direct supervision" means that the physical therapist is physically present and immediately available for supervision. Telecommunications~~, except within the facility,~~ does not meet the requirement of ~~on-site~~ direct supervision.

Sec. 2. Minnesota Statutes 2024, section 148.65, subdivision 6, is amended to read:

Subd. 6. **Student physical therapist assistant.** "Student physical therapist assistant" means a person in a physical therapist assistant educational program accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or a recognized comparable national accrediting agency approved by the board. The student physical therapist assistant, under the direct supervision of the physical therapist, or the direct supervision of the physical therapist and physical therapist assistant team, performs physical therapy interventions and assists with coordination, communication, documentation, and patient-client-related instruction. "Direct supervision" means the physical therapist or physical therapist assistant when supervising a student physical therapist assistant as part of a physical therapist and physical therapist assistant team is physically present and immediately available to provide instruction to the student physical therapist assistant. Telecommunications does not meet the requirement of direct supervision.

Sec. 3. Minnesota Statutes 2024, section 148.706, subdivision 1, is amended to read:

Subdivision 1. **Supervision.** (a) Every physical therapist who uses the services of a physical therapist assistant or physical therapy aide for the purpose of assisting in the practice of physical

therapy is responsible for functions performed by the assistant or aide while engaged in such assistance. The physical therapist shall ~~delegate~~ direct duties to the physical therapist assistant and assign tasks to the physical therapy aide in accordance with subdivision 2. ~~Physical therapists who instruct student physical therapists and student physical therapist assistants are responsible for the functions performed by the students and shall supervise the students as provided under section 148.65, subdivisions 5 and 6. A licensed physical therapist may supervise no more than two physical therapist assistants at any time.~~

(b) A licensed physical therapist may supervise no more than two physical therapist assistants at any time. A physical therapist supervising physical therapist assistants is not required to be on site, but must be easily available by telecommunications.

(c) Physical therapists who instruct student physical therapists and student physical therapist assistants are responsible for the functions performed by the students and shall supervise the students as provided under section 148.65, subdivisions 5 and 6. A physical therapist supervising a student physical therapist must have direct contact with the patient during at least every second treatment session by the student physical therapist. A physical therapist or physical therapist assistant as part of a physical therapist and physical therapist assistant team who is supervising a student physical therapist assistant must have direct contact with the patient during at least every second treatment session by the student physical therapist assistant.

Sec. 4. Minnesota Statutes 2024, section 148.706, subdivision 2, is amended to read:

Subd. 2. **~~Delegation~~ Direction of duties.** The physical therapist ~~may delegate~~ is authorized to direct patient treatment procedures only to a physical therapist assistant who has sufficient didactic and clinical preparation. The physical therapist may not ~~delegate~~ direct the following activities to ~~the~~ a physical therapist assistant or to other supportive personnel: initial patient examination and evaluation, ~~treatment planning, initial treatment, change of treatment,~~ development and modification of the plan of care, and initial or final documentation.

Sec. 5. Minnesota Statutes 2024, section 148.706, subdivision 3, is amended to read:

Subd. 3. **Observation of and collaboration with physical therapist assistants.** When a physical therapist directs components of a patient's treatment ~~are delegated~~ to a physical therapist assistant, a physical therapist must ~~provide on-site observation of the treatment and documentation of its appropriateness at least every six treatment sessions. The physical therapist is not required to be on site, but must be easily available by telecommunications.~~ do the following at least every six treatment sessions that the physical therapist assistant provides services:

(1) observe a portion of the patient treatment session with the physical therapist assistant, either in person or remotely via telehealth; and

(2) document a collaborative discussion with the physical therapist assistant and the continued appropriateness of the plan of care.

ARTICLE 12

APPROPRIATIONS

Section 1. **APPROPRIATION; MASSAGE THERAPIST AND ASIAN BODYWORK THERAPIST REGISTRATION.**

$147,000 in fiscal year 2027 is appropriated from the state government special revenue fund to the commissioner of health to administer regulatory requirements for massage therapists and Asian bodywork therapists under Minnesota Statutes, sections 148.636 to 148.6377. The base for this appropriation is $1,758,000 in fiscal year 2028 and $1,815,000 in fiscal year 2029.

Sec. 2. **APPROPRIATION; MUSIC THERAPIST LICENSURE.**

$87,000 in fiscal year 2027 is appropriated from the state government special revenue fund to the commissioner of health to administer licensing requirements for music therapists under Minnesota Statutes, sections 148H.01 to 148H.16. The base for this appropriation is $55,000 in fiscal year 2028 and $55,000 in fiscal year 2029."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "professions" and insert "occupations"

Page 1, line 3, delete "massage therapy,"

Page 1, line 4, delete "music therapy,"

Page 1, line 5, delete the second "and" and after the second "practice" insert ", and physical therapists; establishing registration for massage therapists and Asian bodywork therapists; establishing licensure for music therapists"

Amend the title numbers accordingly

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. 4476: 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 fee 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.

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

Page 17, delete section 12 and insert:

"Sec. 12. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision to read:

Subd. 29. **Certified assessor team.** The commissioner must employ certified assessors within the department to conduct assessments under section 256B.0911 on behalf of lead agencies under conditions and circumstances determined by the commissioner. Certified assessors employed by the commissioner may conduct assessments in addition to other duties as assigned, except the certified assessors employed by the commissioner must not perform any responsibilities of a lead agency described in section 256B.0911 other than assessments. Nothing in this subdivision creates an obligation for the commissioner to provide the department's certified assessors to conduct assessments on behalf of a lead agency.

Sec. 13. Minnesota Statutes 2024, section 256B.0659, subdivision 12, is amended to read:

Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal care assistance services for a recipient must be documented daily by each personal care assistant, on a time sheet form approved by the commissioner. All documentation may be web-based, electronic, or paper documentation. The completed form must be submitted on a monthly basis to the provider and kept in the recipient's health record.

(b) The activity documentation must correspond to the personal care assistance care plan and be reviewed by the qualified professional.

(c) The personal care assistant time sheet must be on a form approved by the commissioner documenting time the personal care assistant provides services in the home. The following criteria must be included in the time sheet:

(1) full name of personal care assistant and individual provider number;

(2) provider name and telephone numbers;

(3) full name of recipient and either the recipient's medical assistance identification number or date of birth;

(4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;

(5) signatures of recipient or the responsible party;

(6) personal signature of the personal care assistant;

(7) any shared ~~care~~ services provided, if applicable;

(8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments;

(9) dates and location of recipient stays in a hospital, care facility, or incarceration; and

(10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

Sec. 14. Minnesota Statutes 2024, section 256B.0659, subdivision 16, is amended to read:

Subd. 16. **Shared services.** (a) Medical assistance payments for ~~shared~~ personal care assistance services that are shared services are limited according to this subdivision.

(b) ~~Shared service is~~ For the purposes of this section, "shared services" means the provision of personal care assistance services by a personal care assistant to two or three recipients~~,~~ who are all eligible for medical assistance~~,~~ and who each voluntarily enter into an agreement to receive services at the same time and in the same setting.

(c) For the purposes of this subdivision, "setting" means:

(1) the home residence or family foster care home of one or more of the individual recipients; or

(2) a child care program licensed under chapter 142B or operated by a local school district or private school.

(d) Shared ~~personal care assistance~~ services follow the same criteria for covered services as subdivision 2.

(e) Noncovered shared ~~personal care assistance~~ services include the following:

(1) services for more than three recipients by one personal care assistant at one time;

(2) staff requirements for child care programs under chapter 245C;

(3) caring for multiple recipients in more than one setting;

(4) additional units of personal care assistance based on the selection of the option; and

(5) use of more than one personal care assistance provider agency for the shared ~~care~~ services.

(f) The option of shared ~~personal care assistance~~ services is elected by the recipient or the responsible party with the assistance of the assessor. The option must be determined appropriate based on the ages of the recipients, compatibility, and coordination of their assessed care needs. The recipient or the responsible party, in conjunction with the qualified professional, shall arrange the setting and grouping of shared services based on the individual needs and preferences of the recipients. The personal care assistance provider agency shall offer the recipient or the responsible party the option of shared services or one-on-one personal care assistance services or a combination of both. The recipient or the responsible party may withdraw from participating in a shared services arrangement at any time.

(g) Authorization for the shared service option must be determined by the commissioner based on the criteria that the shared service is appropriate to meet all of the recipients' needs and ~~their~~ the recipients' health and safety is maintained. The authorization of shared services is part of the overall authorization of personal care assistance services. Nothing in this subdivision must be construed to reduce the total number of hours authorized for an individual recipient.

(h) A personal care assistant providing shared ~~personal care assistance~~ services must:

(1) receive training specific for each recipient served; and

(2) follow all required documentation requirements for time and services provided.

(i) A qualified professional shall:

(1) evaluate the ability of the personal care assistant to provide services ~~for all of~~ to all the recipients in a shared setting;

(2) visit the shared setting as shared services are being provided at least once every six months or whenever needed for response to a recipient's request for increased supervision of the personal care assistance staff;

(3) provide ongoing monitoring and evaluation of the effectiveness and appropriateness of the shared services;

(4) develop a contingency plan with each of the recipients ~~which~~ that accounts for absence of the recipient in a shared services setting due to illness or other circumstances;

(5) obtain permission from each of the recipients who are sharing a personal care assistant for number of shared hours for services provided inside and outside the home residence; and

(6) document the training completed by the personal care assistants specific to the shared setting and recipients sharing services.

Sec. 15. Minnesota Statutes 2024, section 256B.0659, subdivision 17, is amended to read:

Subd. 17. **Shared services; rates.** (a) For the purposes of this subdivision, "additional revenue for shared services" means the difference between the rate paid to a personal care assistance provider agency for serving a single recipient and the sum of the rates paid to a personal care assistance provider agency for shared services provided to more than one recipient.

(b) For the purposes of this subdivision, "wages and wage-related costs" means increased wages and any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation premiums, and contributions to employee retirement accounts if the contribution is a function of wages.

(c) The commissioner shall provide a rate system for shared ~~personal care assistance~~ services. For two ~~persons~~ recipients sharing services, the rate paid to a personal care assistance provider agency for the shared services must not exceed one and one-half times the rate paid for serving a single ~~individual, and~~ recipient. For three ~~persons~~ recipients sharing services, the rate paid to a personal care assistance provider agency for the shared services must not exceed twice the rate paid for serving a single ~~individual~~ recipient. These rates apply only when all ~~of the~~ criteria for ~~the~~ shared ~~care personal care assistance service have been~~ services are met.

(d) Of the additional revenue for shared services provided to two recipients, the personal care assistance provider agency must use 95 percent for the purposes specified in paragraph (e). Of the additional revenue for shared services provided to three recipients, the personal care assistance provider agency must use 95 percent for the purposes specified in paragraph (e).

(e) A personal care assistance provider agency must use the percentages of additional revenue for shared services specified in paragraph (d) for the wages and wage-related costs of the personal care assistant providing the shared services. The personal care assistance provider agency must not use additional revenue for shared services to pay for mileage reimbursements, uniform allowances, health and dental insurance, life insurance, disability insurance, long-term care insurance, contributions to employee retirement accounts if the contribution is not a function of wages, or any other employee benefits.

Sec. 16. Minnesota Statutes 2024, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual reassessment as required in subdivision 3a to determine continuing eligibility and service authorization;

(7) use the same personal care assistance choice provider agency if shared ~~personal assistance care is~~ services are being used; and

(8) ensure that a personal care assistant driving the recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including but not limited to purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including but not limited to workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided."

Pages 23 to 26, delete sections 18 to 20 and insert:

"Sec. 22. Minnesota Statutes 2025 Supplement, section 256B.85, subdivision 7, is amended to read:

Subd. 7. **Community first services and supports; covered services.** Services and supports covered under CFSS include:

(1) assistance to accomplish activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related procedures and tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task;

(2) assistance to acquire, maintain, or enhance the skills necessary for the participant to accomplish activities of daily living, instrumental activities of daily living, or health-related tasks;

(3) expenditures for items, services, supports, environmental modifications, or goods, including assistive technology. These expenditures must:

(i) relate to a need identified in a participant's CFSS service delivery plan; and

(ii) increase independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance for the participant's assessed needs;

(4) observation and redirection for behavior or symptoms where there is a need for assistance;

(5) back-up systems or mechanisms, such as the use of pagers or other electronic devices, to ensure continuity of the participant's services and supports;

(6) swimming lessons for a participant younger than 12 years of age whose disability puts the participant at a higher risk of drowning according to the Centers for Disease Control Vital Statistics System;

(7) services described under subdivision 17 provided by a consultation services provider meeting the requirements of subdivision 17a;

(8) services provided by an FMS provider as defined under subdivision 13a~~,~~ that is an enrolled provider with the department;

(9) CFSS services provided by a support worker who is a parent, stepparent, or legal guardian of a participant under age 18, or who is the participant's spouse. Covered services under this clause are subject to the limitations described in subdivision 7b; ~~and~~

(10) shared services meeting the shared services requirements of this section; and

~~(10)~~ (11) worker training and development services as described in subdivision 18a.

Sec. 23. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7c. **Shared services under the agency-provider model.** (a) The commissioner shall authorize shared services arrangements if the commissioner determines that a shared services arrangement is appropriate to meet all the participants' needs and sufficient to maintain the participants' health and safety. The commissioner must include a decision regarding authorization of shared services during the process of authorizing CFSS under subdivision 8. The commissioner must not reduce the total number of authorized units for a participant who elects to receive shared services.

(b) An agency-provider must offer a participant or the participant's representative the option of shared services, one-on-one services, or a combination of both shared services and one-on-one services when shared services are authorized by the commissioner. The option of shared services may be elected at the sole discretion of either the participant or the participant's representative. The participant or the participant's representative may withdraw from participating in a shared services arrangement at any time.

Sec. 24. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7d. **Shared services rates under the agency-provider model.** The commissioner shall provide a rate system for shared services. For two participants sharing services, the rate paid to an agency-provider for the shared services must not exceed one and one-half times the rate paid for serving a single participant. For three participants sharing services, the rate paid to an agency-provider for the shared services must not exceed twice the rate paid for serving a single participant. These rates apply only when all criteria for shared services are met.

Sec. 25. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7e. **Pass-through for shared services under the agency-provider model.** (a) Of the additional revenue for shared services provided to two participants, the agency-provider must use 95 percent for the purposes specified in paragraph (b). Of the additional revenue for shared services provided to three participants, the agency-provider must use 95 percent for the purposes specified in paragraph (b).

(b) An agency-provider must use the percentages of additional revenue for shared services specified in paragraph (a) for the wages and wage-related costs of the support worker providing the shared services. The agency-provider must not use additional revenue for shared services to pay for mileage reimbursements, uniform allowances, health and dental insurance, life insurance, disability insurance, long-term care insurance, contributions to employee retirement accounts when the contribution is not a function of wages, or any other employee benefits.

Sec. 26. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7f. **Shared services under the budget model.** (a) A participant who intends to elect shared services under the budget model, or the participant's representative, must include a statement of this intention in the CFSS service delivery plan, must develop a plan for shared services when

developing or amending the CFSS service delivery plan, and must follow the CFSS process for approval of the plan as required under subdivision 6.

(b) The commissioner shall authorize shared services arrangements if the commissioner determines that a shared services arrangement is appropriate to meet all the participants' needs and sufficient to maintain the participants' health and safety. The commissioner must include a decision regarding authorization of shared services during the process of authorizing CFSS under subdivision 8. The commissioner must not reduce the total authorized dollar amount available to a participant who elects to receive shared services.

(c) The participants, or participants' representatives as needed, who elect to share services under the budget model must jointly develop a shared services agreement with the support of the participants' representatives as needed. Any participant or any participant's representative may at any time withdraw from participating in a shared services agreement.

(d) The commissioner must develop and publish recommendations for negotiating wages for support workers providing shared services under the budget model.

Sec. 27. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision to read:

Subd. 7g. **Pass-through for shared services under the budget model.** For shared services provided under the budget model, participant employers must pay the individual provider support worker providing the shared services a percentage of the minimum wage specified in the agreement negotiated under chapter 179A, as made applicable to individual providers under section 179A.54, that is in effect at the time the services are provided. The required percentages are specified in clauses (1) and (2):

(1) for shared services provided by an individual provider support worker to two participant employers, the two participant employers must collectively pay the individual provider support worker at least 150 percent of the applicable minimum wage; and

(2) for shared services provided by an individual provider support worker to three participant employers, the three participant employers must collectively pay the individual support worker at least 200 percent of the applicable minimum wage.

Sec. 28. **[256B.8502] COMMUNITY FIRST SERVICES AND SUPPORTS; DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this section and sections 256B.85 and 256B.851, the terms in this section have the meanings given.

Subd. 2. **Additional revenue for shared services.** "Additional revenue for shared services" means the difference between the rate paid to an agency-provider for serving a single participant and the sum of the rates paid to an agency-provider for shared services provided to more than one recipient.

Subd. 3. **Individual provider support worker.** "Individual provider support worker" means a support worker who is an individual provider as defined in section 256B.0711, subdivision 1.

Subd. 4. **Wages and wage-related costs.** "Wages and wage-related costs" means increased wages and any corresponding increase in the employer's or participant employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation premiums, and contributions to employee retirement accounts when the contribution is a function of wages."

Page 28, line 5, delete "$62,601,000" and insert "$63,851,000"

Page 31, delete section 25

Page 34, after line 27, insert:

"Sec. 36. **DIRECTION TO COMMISSIONER; ENVIRONMENTAL ACCESSIBILITY ADAPTATIONS FOR HOMES.**

By October 1, 2026, the commissioner of human services must submit to the Centers for Medicare and Medicaid Services waiver plan amendments for the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities 1915(c) waivers to implement the following reforms to environmental accessibility adaptations for homes:

(1) separate the treatment of home modifications from the treatment of vehicle modifications;

(2) replace the existing $40,000 annual limit for home modifications with a $40,000 three-year limit;

(3) replace the existing provisions that permit a two-year limit of $80,000 to be authorized during a two-year period with provisions permitting a six-year limit of $80,000 to be authorized in a five-year period;

(4) limit permissible authorizations for home modifications to only modifications meeting an assessed need that cannot be met in a less costly way in the person's current home;

(5) limit the number of similar or duplicative home modifications to modifications that are necessary for the health and safety of the person; and

(6) establish caps on the number, size, and cost of common home modifications.

Sec. 37. **DIRECTION TO COMMISSIONER; ENVIRONMENTAL ACCESSIBILITY ADAPTATIONS FOR VEHICLES.**

(a) By October 1, 2026, the commissioner of human services must submit to the Centers for Medicare and Medicaid Services waiver plan amendments for the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities 1915(c) waivers to implement the following reforms to environmental accessibility adaptations for vehicles:

(1) separate the treatment of vehicle modifications from the treatment of home modifications;

(2) replace the existing $40,000 annual limit for vehicle modifications with a $40,000 five-year limit; and

(3) permit multiple authorizations for vehicle modifications in a five-year period when a vehicle is sold, provided that subsequent authorizations are limited to:

(i) for a purchased adapted vehicle, the portion of the original purchase cost attributable to the vehicle modifications minus the book value of the purchase price attributable to the vehicle modifications; or

(ii) for vehicle modifications, the original purchase and installation cost of the modifications minus the book value of the modifications.

(b) For purposes of this section, "book value" means the original cost minus the product of 20 percent of the original cost multiplied by the number of years during which the adapted vehicle was used by the person.

Sec. 38. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber the definitions in Minnesota Statutes, section 256B.85, subdivision 2, and the definitions in Minnesota Statutes, section 256B.851, subdivision 2, as subdivisions in Minnesota Statutes, section 256B.8502, rearranging the renumbered and existing definitions in Minnesota Statutes, section 256B.8502, as necessary to place them in alphabetical order. The revisor of statutes shall revise all statutory cross-references consistent with this recoding.

(b) If a provision of Minnesota Statutes, section 256B.85, subdivision 2, or 256B.851, subdivision 2, is amended or repealed in the 2026 regular legislative session, the revisor of statutes shall codify the amendment or repealer in Minnesota Statutes, section 256B.8502, notwithstanding any other law to the contrary."

Page 36, delete section 3

Page 54, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2024, section 144A.471, subdivision 8, is amended to read:

Subd. 8. **Exemptions from home care services licensure.** (a) Except as otherwise provided in this chapter, home care services that are provided by the state, counties, or other units of government must be licensed under this chapter.

(b) An exemption under this subdivision does not excuse the exempted individual or organization from complying with applicable provisions of the home care bill of rights in section 144A.44. The following individuals or organizations are exempt from the requirement to obtain a home care provider license:

(1) an individual or organization that offers, provides, or arranges for personal care assistance services under the medical assistance program as authorized under sections 256B.0625, subdivision 19a, and 256B.0659;

(2) a provider that is licensed by the commissioner of human services to provide semi-independent living services for persons with developmental disabilities under section 252.275 and Minnesota Rules, parts 9525.0900 to 9525.1020;

(3) a provider that is licensed by the commissioner of human services to provide home and community-based services for persons with developmental disabilities under section 256B.092 and Minnesota Rules, parts 9525.1800 to 9525.1930;

(4) an individual or organization that provides only home management services, if the individual or organization is registered under section 144A.482; ~~or~~

(5) an individual who is licensed in this state as a nurse, dietitian, social worker, occupational therapist, physical therapist, or speech-language pathologist who provides health care services in the home independently and not through any contractual or employment relationship with a home care provider or other organization; or

(6) 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).

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

Page 65, delete section 19 and insert:

"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, and maintain a log of resident requests for assistance and staff responses including, for each request, the time that elapsed between the resident's communication of the request and the staff response. The facility must retain a log for at least five years after the most recent request and response in the log;

(6) allow residents the ability to furnish and decorate the resident's unit within the terms of the assisted living contract;

(7) permit residents access to food at any time;

(8) allow residents to choose the resident's visitors and times of visits;

(9) allow the resident the right to choose a roommate if sharing a unit;

(10) notify the resident of the resident's right to have and use a lockable door to the resident's unit. The licensee shall provide the locks on the unit. Only a staff member with a specific need to enter the unit shall have keys, and advance notice must be given to the resident before entrance, when possible. An assisted living facility must not lock a resident in the resident's unit;

(11) develop and implement a staffing plan for determining its staffing level that:

(i) includes an evaluation, to be conducted at least twice a year, of the appropriateness of staffing levels in the facility;

(ii) ensures sufficient staffing at all times to meet the scheduled and reasonably foreseeable unscheduled needs of each resident as required by the residents' assessments and service plans on a 24-hour per day basis; and

(iii) ensures that the facility can respond promptly and effectively to individual resident emergencies and to emergency, life safety, and disaster situations affecting staff or residents in the facility;

(12) ensure that one or more persons who are trained in accordance with section 144G.61, subdivision 2, 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 for facility staff to immediately attend to resident needs in a medical emergency, until any emergency personnel arrive, if summoned; and

(15) ensure a plan for facility staff to meet the nonemergency medical needs of residents due to falling, including needs for lift assistance.

EFFECTIVE DATE. The amendment to clause (5) is effective August 1, 2026. The amendment to clause (12) is effective August 1, 2027. Clauses (14) and (15) are effective August 1, 2027."

Page 67, delete section 20 and insert:

"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~~.~~;

(16) emergency procedures to be initiated by facility staff when a resident experiences a medical emergency due to falling, a heart event, difficulty breathing, or choking, and to be followed until emergency personnel arrive, if summoned; and

(17) procedures to be initiated by facility staff after determining that a resident is not experiencing a medical emergency pursuant to clause (16), to meet the nonemergency medical needs of residents due to falling, including needs for lift assistance.

(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 medical emergency events under paragraph (a), clause (16), must be provided to prospective residents, before signing an assisted living contract, for whom a prospective resident assessment has been

performed as described under section 144G.70, subdivision 2, paragraph (b), and to current residents upon any changes to the policies and procedures covering medical emergencies under paragraph (a), clause (16).

EFFECTIVE DATE. This section is effective August 1, 2027."

Page 69, delete section 23 and insert:

"Sec. 23. Minnesota Statutes 2024, section 144G.60, subdivision 4, is amended to read:

Subd. 4. **Unlicensed personnel.** (a) Unlicensed personnel providing assisted living services must have:

(1) successfully completed a training and competency evaluation appropriate to the services provided by the facility and the topics listed in section 144G.61, subdivision 2, paragraph (a); or

(2) demonstrated competency by satisfactorily completing a written or oral test on the tasks the unlicensed personnel will perform and on the topics listed in section 144G.61, subdivision 2, paragraph (a); and successfully demonstrated competency on topics in section 144G.61, subdivision 2, paragraph (a), clauses (5), (7), ~~and~~ (8), and (19), by a practical skills test.

Unlicensed personnel who only provide assisted living services listed in section 144G.08, subdivision 9, clauses (1) to (5), shall not perform delegated nursing or therapy tasks.

(b) Unlicensed personnel performing delegated nursing tasks in an assisted living facility must:

(1) have successfully completed training and demonstrated competency by successfully completing a written or oral test of the topics in section 144G.61, subdivision 2, paragraphs (a) and (b), and a practical skills test on tasks listed in section 144G.61, subdivision 2, paragraphs (a), clauses (5) ~~and~~, (7), and (19), and (b), clauses (3), (5), (6), and (7), and all the delegated tasks they will perform;

(2) satisfy the current requirements of Medicare for training or competency of home health aides or nursing assistants, as provided by Code of Federal Regulations, title 42, section 483 or 484.36; or

(3) have, before April 19, 1993, completed a training course for nursing assistants that was approved by the commissioner.

(c) Unlicensed personnel performing therapy or treatment tasks delegated or assigned by a licensed health professional must meet the requirements for delegated tasks in section 144G.62, subdivision 2, paragraph (a), and any other training or competency requirements within the licensed health professional's scope of practice relating to delegation or assignment of tasks to unlicensed personnel.

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

Sec. 24. 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 nonmedical and medical emergency situations; ~~and~~

(15) awareness of commonly used health technology equipment and assistive devices~~.~~;

(16) recognition of and immediate response to signs and symptoms of airway, breathing, and circulation concerns;

(17) recognition of and immediate response to bleeding, including hemorrhage;

(18) safe techniques for emergency movement of residents; and

(19) log roll technique and spinal precautions.

(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.

EFFECTIVE DATE. This section is effective August 1, 2027."

Page 83, delete section 4

Page 83, delete article 6 and insert:

"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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(g) Effective ~~July 1, 2026, for medical fee-for-service and January 1, 2027, for prepaid medical assistance,~~ upon implementation of the administrator under subdivision 18i, 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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(k) Effective ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance,~~ upon implementation of the administrator under subdivision 18i, 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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(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~~ upon implementation of the administrator under subdivision 18i.

(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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(s) Effective ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~ upon implementation of the administrator under subdivision 18i, 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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

(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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under subdivision 18i.

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.** (a) Effective July 1, 2026, ~~for medical assistance fee-for-service and January 1, 2027, 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.

(b) The commissioner must provide six months notice to counties, managed care organizations, and county-based purchasing organizations before implementing the administrator required under this subdivision.

(c) The commissioner must notify the revisor of statutes when the administrator under this subdivision is implemented.

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, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator under Minnesota Statutes, section 256B.0625, subdivision 18i. The commissioner of human services must notify the revisor of statutes when the administrator under Minnesota Statutes, section 256B.0625, subdivision 18i, is implemented. 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."

Page 90, line 27, delete "19,672,000" and insert "16,626,000"

Page 90, line 31, delete "5,455,000" and insert "1,371,000"

Page 91, delete lines 1 to 10

Page 91, line 11, before "The" insert "**Base Level Adjustment.**"

Page 91, line 12, delete "$1,542,000" and insert "$262,000"

Page 91, line 13, delete "$1,580,000" and insert "$300,000"

Page 91, line 20, delete "11,306,000" and insert "12,364,000"

Page 91, line 23, delete "$550,000" and insert "$450,000"

Page 92, after line 12, insert:

"Subd. 4. **Supported-Decision-Making Programs Administration**

$30,000 in fiscal year 2027 is for a contract to administer 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."

Renumber the subdivisions in sequence

Page 92, line 15, delete "$21,386,000" and insert "$22,592,000"

Page 92, line 16, delete "$23,413,000" and insert "$24,619,000"

Page 93, line 16, delete "75,000" and insert "55,000"

Page 93, delete lines 17 to 22 and insert:

"Subdivision 1. **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.

Subd. 2. **Base Level Adjustment**

The general fund base is decreased by $1,925,000 in fiscal year 2028 and $1,925,000 in fiscal year 2029."

Page 93, line 30, delete "300,000" and insert "650,000"

Page 93, delete lines 31 to 36 and insert:

"Subdivision 1. **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.

Subd. 2. **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.

Subd. 3. **Base Level Adjustment**

The general fund base is increased by $300,000 in fiscal year 2028 and $300,000 in fiscal year 2029."

Page 94, delete lines 1 to 3

Page 94, delete section 15

Page 104, line 26, delete "4,871,000" and insert "4,177,000"

Page 104, line 29, delete "4,871,000" and insert "4,177,000"

Page 105, line 6, delete "$17,566,000" and insert "$16,958,000"

Page 105, line 7, delete "$17,347,000" and insert "$16,767,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second comma, insert "and" and delete the third comma and insert "; modifying provisions relating to health regulation of certain long-term care facilities and agencies;"

Page 1, line 4, delete everything before "Direct" and insert "modifying provisions relating to"

Amend the title numbers accordingly

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

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

H.F. No. 2433: A bill for an act relating to education finance; modifying provisions for prekindergarten through grade 12 education; providing funding for general education, education excellence, teachers, American Indian education, special education, facilities, school nutrition, libraries, early childhood education, community education and lifelong learning, state agencies, and the Read Act; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 120B.118; 120B.119, subdivisions 2a, 4, 10, 15, by adding a subdivision; 120B.12, subdivisions 2, 3, 4, 4a, by adding a subdivision; 120B.123, subdivisions 1, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 5, 6, by adding a subdivision; 122A.091, subdivision 1; 122A.092, subdivision 5; 122A.185, subdivision 1; 122A.63, subdivision 9; 123A.485, subdivision 2; 123B.595, subdivisions 1, 4, 8, 10; 123B.71, subdivision 8; 123B.92, subdivision 1; 124D.111, subdivision 3; 124D.119, subdivision 1; 124D.42, subdivisions 8, 9; 124D.901; 124E.20, subdivision 1; 125A.76, subdivision 2a; 126C.10, subdivisions 1, 2e; 126C.13, subdivision 4; 126C.15, subdivision 2; 126C.17, subdivisions 7a, 7b; 126C.40, subdivision 1, by adding a subdivision; 126C.43, subdivision 2; 126C.45; 127A.47, subdivision 7; 268.085, subdivision 7, by adding subdivisions; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 7, as amended, 9, as amended, 17, as amended; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 9, as amended, 12; article 2, section 64, subdivisions 2, as amended, 6, as amended, 16, as amended, 21, as amended, 23, as amended, 34; article 3, section 11, subdivision 2; article 4, section 21, subdivisions 2, as amended, 5, as amended; article 5, section 64, subdivisions 3, as amended, 14, as amended; article 7, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended; article 8, section 19,

subdivision 6, as amended; article 9, section 18, subdivisions 4, as amended, 8, as amended; article 11, section 11, subdivisions 2, as amended, 3, as amended, 10, as amended; Laws 2024, chapter 109, article 4, section 19; Laws 2024, chapter 115, article 3, section 8, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 127A; repealing Minnesota Statutes 2024, section 124D.992.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREKINDERGARTEN THROUGH GRADE 12 EDUCATION

Section 1. Minnesota Statutes 2024, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

(1) immoral character or conduct;

(2) failure, without justifiable cause, to teach for the term of the teacher's contract;

(3) gross inefficiency or willful neglect of duty;

(4) failure to meet licensure requirements; or

(5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children, or grooming under section 609.352, interference with privacy under section 609.746 or harassment or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the

United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

Sec. 2. Minnesota Statutes 2024, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school board, charter school executive director, or charter school authorizer must report to the Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E. The report must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board, administrator, or authorizer must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board, charter school, authorizer, charter school executive director, or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section

13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or Tribal police department. A report by the Professional Educator Licensing and Standards Board to appropriate law enforcement authorities does not diminish, modify, or otherwise affect the responsibilities of a school board or any person mandated to report abuse under chapter 260E.

(d) A police department or county sheriff must notify the appropriate licensing board when a teacher is criminally charged with an offense listed in subdivision 1, paragraph (b), or is charged with any other offense not listed in this section that requires the person to register as a predatory offender under section 243.166.

Sec. 3. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to read:

Subd. 6. **Exclusion of 2025-2026 reading assessments.** Notwithstanding subdivisions 2 and 3, for purposes of calculating proficiency aid and growth aid for fiscal years 2027, 2028, and 2029 only, tests administered during the 2025-2026 school year must be excluded from the three-year average proficiency percentage and from the three-year average growth percentage. The commissioner may adjust the dollar amounts for proficiency aid and growth aid for fiscal years 2027, 2028, and 2029 only to ensure that the total aid amount under this section is not less than the amount estimated for these fiscal years under the February 2026 forecast.

Sec. 4. Minnesota Statutes 2025 Supplement, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) For fiscal years 2024, 2025, and 2026, the compensatory education revenue for each building in the district equals the formula allowance minus $839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(c) For fiscal year 2027 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance.

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph ~~(e)~~ (b), for fiscal year 2026, if the sum of the amounts calculated under paragraph ~~(e)~~ (b) is less than $838,947,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $838,947,000.

(g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the sum of the amounts calculated under paragraph (c) is less than $857,152,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $857,152,000.

(h) Notwithstanding paragraph (c), for fiscal year 2027 only, the compensatory education revenue for each building equals the greater of:

(1) the amount calculated for the building under paragraphs (c) and (g); or

(2) the building minimum amount calculated under paragraph (i).

(i) For purposes of paragraph (h), the building minimum amount equals the product of:

(1) the compensatory education revenue for the building for fiscal year 2026;

(2) the lesser of one or the ratio of the number of pupils enrolled in the building on October 1, 2025, to the number of pupils enrolled in the building on October 1, 2024; and

(3) 0.7746.

Sec. 5. Minnesota Statutes 2024, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers and gender-neutral single-user restrooms, locker room privacy stalls, or other spaces with privacy features, including single-user shower stalls, changing stalls, or other single-user facilities;

(5) for a surplus school building that is used substantially for a public nonschool purpose;

(6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.297;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software;

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs;

(26) to pay the costs of supplies and equipment necessary to provide access to menstrual products at no charge to students in restrooms and as otherwise needed in school facilities; ~~and~~

(27) to pay the costs of the opiate antagonists required under section 121A.224~~.~~<u>; and</u>

<u>(28) to pay utility service costs.</u>

<u>EFFECTIVE DATE.</u> <u>This section is effective for revenue in fiscal year 2027 and later.</u>

Sec. 6. Minnesota Statutes 2025 Supplement, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 80 percent of its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) A district or cooperative may allocate no more than 20 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

(f) For fiscal years 2026 ~~and~~, 2027, and 2028 only, notwithstanding the percentages specified in paragraphs (a) and (b), a district may allocate up to 40 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board, consistent with the purposes listed in subdivision 1.

Sec. 7. Minnesota Statutes 2025 Supplement, section 260E.065, is amended by adding a subdivision to read:

Subd. 4. **Commissioner of children, youth, and families; education-related mandated reporter training module on grooming.** (a) By August 1, 2027, the commissioner of children, youth, and families must update the existing mandated reporter training that is specifically applicable to professionals or professionals' delegates engaged in education, to include but not be limited to:

(1) the requirement to report allegations of maltreatment involving students ages 18 through 21, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma; and

(2) addressing grooming and threatened sexual abuse, including the duty to report grooming as maltreatment under section 260E.06, and how to identify the signs of grooming.

(b) The commissioner must consult with the Department of Education while updating the training.

Sec. 8. Minnesota Statutes 2024, section 260E.15, is amended to read:

260E.15 SCREENING GUIDELINES.

(a) Child protection staff, supervisors, and others involved in child protection screening shall follow the guidance provided in the maltreatment screening guidelines issued by the commissioner and, when notified by the commissioner, shall immediately implement updated procedures and protocols.

(b) Any modification to the screening guidelines must be preapproved by the commissioner and must not be less protective of children than is mandated by statute. The county agency must consult with the county attorney before proposing modifications to the commissioner. The guidelines may provide additional protection for children but must not limit reports that are screened in or provide additional limits on consideration of reports that were screened out in making a screening determination.

(c) The screening guidelines issued by the commissioner must not limit an agency's ability to screen in and investigate a report of alleged maltreatment that occurred more than three years prior to the date of the report.

Sec. 9. Minnesota Statutes 2025 Supplement, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any family assessment, noncaregiver human trafficking assessment, or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(j) Nothing in this chapter shall prevent a local welfare agency or local law enforcement agency from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 10. Minnesota Statutes 2024, section 260E.28, subdivision 1, is amended to read:

Subdivision 1. **Immediate investigation for alleged maltreatment in a facility.** (a) The commissioner of human services; children, youth, and families; health; or education, whichever is responsible for investigating the report, shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in section 260E.03 is the victim of maltreatment in a facility by an individual in that facility or has been the victim of maltreatment in a facility by an individual in that facility within the three years preceding the report; or

(2) a child is the victim of maltreatment in a facility by an individual in a facility defined in section 260E.03, subdivision 6, while in the care of that facility within the three years preceding the report.

(b) The commissioner of the agency responsible for investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. The commissioner of the agency responsible for investigating the report or local welfare agency may interview any children who are or have been in the care of a facility under investigation and the children's parents, guardians, or legal custodians.

(c) In conducting an investigation under this section, the commissioner has the powers and duties specified for a local welfare agency under this chapter.

(d) Nothing in this chapter shall prevent the agency responsible for screening and investigating allegations of maltreatment from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 11. Minnesota Statutes 2024, section 471.6161, is amended by adding a subdivision to read:

Subd. 9. **School districts and charter schools; reports.** (a) For purposes of this subdivision, an entity offering or providing group health insurance includes both health plan companies and third-party administrators of health plans.

(b) By July 15, 2026, and July 1 each year thereafter, the Legislative Budget Office must send an annual survey regarding health insurance costs to all school districts and charter schools in this state.

(c) The annual survey must be completed by the school district or charter school using data from its most recent plan year, be returned to the Legislative Budget Office by September 1 of each year, and provide the following information about school employees who meet the definition of public employee under section 179A.03, subdivision 14:

(1) the total number of salaried employees;

(2) the total number of nonsalaried or hourly employees;

(3) for those participating in the group health insurance offered by the school district or charter school, the total number of people, as of May 1, in each of the following categories:

(i) salaried employees;

(ii) nonsalaried or hourly employees; and

(iii) retirees and any other persons who continue to receive coverage through the school district's or charter school's health plan after separation from employment;

(4) the total number of employees not participating in the health plan;

(5) the total number of insured persons covered by the health plan;

(6) the total dollar amount the school district or charter school paid in health insurance premiums on behalf of all employees, not including employee contributions transmitted to an entity providing group health insurance coverage or payments made on behalf of former employees;

(7) if a school district or charter school funds an individual coverage health reimbursement arrangement, the total amount contributed by the school district or charter school;

(8) the total amount employees paid in health insurance premiums;

(9) an accounting of all forms of compensation, either direct or indirect, including but not limited to fees, commissions, incentives, or rewards of any kind paid to a broker or agent, regardless of whether it was billed as a flat fee, or percentage of premium and whether paid directly by the school district or charter school or through the entity offering group health insurance;

(10) the name of any entity providing group health insurance the school district or charter school has contracted with and the expiration date of the contract;

(11) the date range of the most recent plan year;

(12) for each type of health plan offered to employees of a school district or charter school:

(i) the name of the plan and its actuarial value, using the minimum value calculator information required in bid proposals under section 471.6161, subdivision 8, paragraph (d), clause (2), and described in the Code of Federal Regulations, title 45, section 156.145. The plan data must also delineate amounts for single, family, and two-party plans, if offered;

(ii) the monthly contribution by the school district or charter school for each employee group per plan, including contributions to individual coverage health reimbursement arrangements;

(iii) the amount per month an employee must pay in health insurance premiums for the plan; and

(iv) the plan design for each type of plan including:

(A) in-network deductibles;

(B) in-network out-of-pocket limits;

(C) out-of-network limits;

(D) co-payment;

(E) the employee's share of coinsurance; and

(F) the prescription annual out of pocket maximum, if separate from subitem (B);

(13) the dollar or percentage cost for all prescription levels, commonly generic or tier 1, formulary or tier 2, and nonformulary or tier 3;

(14) the total amount of annual contributions, per employee, paid by the school district or charter school to an individual coverage health reimbursement arrangement or health savings account, excluding amounts contributed solely to a health care retirement account;

(15) the total amount assessed by the entity providing group health insurance as an administrative fee and the rate of the fee assessed;

(16) if a school district is self-insured, the total amount that is in a district set aside health insurance reserve account; and

(17) any additional items as determined by the Legislative Budget Office.

(d) The Legislative Budget Office must compile information from the surveys described above and provide a report by December 1 of each year to the chairs and ranking minority members of the legislative committees with jurisdiction over education and health insurance. The Legislative Budget Office must post the report, including the executive summary and all underlying data received from school districts and charter schools, on its public website. Data posted on the Legislative Budget Office's website must be in a standardized format.

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

Sec. 12. Minnesota Statutes 2024, section 609.352, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "child" means a person 15 years of age or younger;

(b) "pattern" means two or more instances of conduct;

~~(b)~~ (c) "sexual conduct" means sexual contact of the individual's primary genital area, sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and

~~(c)~~ (d) "solicit" means commanding, entreating, or attempting to persuade a specific person in person, by telephone, by letter, or by computerized or other electronic means.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2c. **Grooming.** (a) A person 18 years of age or older commits the felony offense of grooming, and may be sentenced as provided in subdivision 4, if the person:

(1) expresses the desire or intent to engage in sexual conduct with a child; and

(2) engages in a deliberate pattern of conduct to methodically develop a false trusting relationship with the child that is intended to strategically manipulate the child to engage in sexual conduct with the person at a future time, regardless of whether any sexual conduct occurs.

(b) For purposes of this subdivision, a deliberate pattern of conduct may include but is not limited to:

(1) communications or conversations sharing desires about sexual intimacy or sexual contact between the person and the child;

(2) normalizing sexualized physical conduct or attempts to initiate such conduct;

(3) watching the child undress or appearing undressed in front of the child; or

(4) use of threats or control in an attempt to ensure secrecy or compliance from the child.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2d. **Violations by persons in positions of authority.** A person who commits any of the acts described in subdivisions 2 through 2c is guilty of a felony if:

(1) the person is in a current or recent position of authority, as defined in section 609.341, subdivision 10, over the victim;

(2) the person is more than 36 months older than the victim; and

(3) the victim is under the age of 18 years.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2e. **School violations.** A person who commits any of the acts described in subdivisions 2 through 2c is guilty of a felony if:

(1) the person is a licensed educator employed or contracted to provide service for an elementary, middle, or secondary school; and

(2) the victim, regardless of age, is enrolled as a student at the school.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2024, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 ~~or~~, 2a, 2c, 2d, or 2e is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than $10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 17. Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended by Laws 2024, chapter 115, article 8, section 4, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$	1,000,000	.....	2024
$	1,000,000	.....	2025

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) These appropriations are available until June 30, 2029.

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

Sec. 18. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$	1,000,000	.....	2026
$	1,000,000	.....	2027

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to $75,000 of the appropriation in each year is available for grant administration.

(e) By February 1 of each even-numbered year, the commissioner must ~~annually~~ report to the legislative committees with jurisdiction over kindergarten through grade 12 education on the number of grants that were awarded each year and the number of grant applications that were unfunded each year.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(g) These appropriations are available until June 30, 2031.

Sec. 19. Laws 2025, First Special Session chapter 10, article 12, section 8, is amended to read:

Sec. 8. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Department.** (a) For the Department of Education:

$	46,508,000	.....	2026
	~~41,196,000~~		
$	42,647,000	.....	2027

Of these amounts:

(1) $405,000 each year is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $6,000,000 in fiscal year 2026 only is for legal fees and costs associated with: (i) litigation in which the department, commissioner, or department employee operating in their official capacity is the defendant, respondent, appellant, or relator; (ii) litigation initiated by the department, commissioner, or department employee operating in their official capacity to stop payment or recover funds in cases of alleged malfeasance or misuse; (iii) expenses for required administrative legal activities, including data practices operations and appeals from administrative decisions; and (iv) legal staff required for clauses (i), (ii), and (iii);

(6) $2,359,000 each year is for modernizing district data submissions;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(9) $800,000 each year is for audit and internal control resources;

(10) $175,000 each year is for administrative expenses for unemployment aid, and, in consultation with the Department of Employment and Economic Development, guidance to educational institutions eligible for reimbursement under Minnesota Statutes 2024, section 124D.995, including written guidance for school employees on eligibility for unemployment benefits between academic terms;

(11) $550,000 each year is for General Counsel and Inspector General staff and case management and fiscal analysis technology to support program compliance and integrity; ~~and~~

(12) $572,000 each year is for administration of the Summer Electronic Benefits Transfer Program; and

(13) $1,451,000 in fiscal year 2027 only is for increasing the capacity of the student maltreatment program. The base for the allocation under this clause is $1,441,000 in fiscal year 2028 and $1,442,000 in fiscal year 2029 and later.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2028 ~~and later~~ is ~~$41,326,000~~ $42,767,000. The base for fiscal year 2029 and later is $42,768,000.

Sec. 20. **BASE ADJUSTMENT; DEPARTMENT OF CORRECTIONS.**

The commissioner of management and budget must increase the total budget base established in law for incarceration and prerelease services at the Department of Corrections by $13,000 for fiscal year 2028 and by $35,000 for fiscal year 2029 and later for bed costs related to criminal grooming offenses.

Sec. 21. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

$25,489,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of education for additional general education aid.

Sec. 22. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

$18,000 in fiscal year 2026 and $74,000 in fiscal year 2027 are appropriated from the general fund to the Legislative Coordinating Commission for the Legislative Budget Office to complete the annual report required by Minnesota Statutes, section 471.6161, subdivision 9. The base for this appropriation is $36,000 in fiscal year 2028 and later.

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

Sec. 23. **SCHOOL DISTRICT FUND TRANSFERS.**

Subdivision 1. **Ivanhoe Public Schools.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 142D.11, subdivision 9, on June 30, 2026, Independent School District No. 403, Ivanhoe, may permanently transfer up to $68,000 from its early childhood family education reserve balance in the community service fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

Subd. 2. **Maple Lake Public Schools.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 881, Maple Lake Public Schools, may permanently transfer up to $1,800,000 from its building construction fund to the reserved account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

Subd. 3. **Moorhead Area Public Schools.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2026, Independent School District No. 152, Moorhead Area Public Schools, may permanently transfer up to $80,114 from its restricted fund balance in the community service fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

(b) Notwithstanding Minnesota Statutes, section 123B.595, subdivisions 10, 11, and 12; 123B.79; or 123B.80, on June 30, 2026, Independent School District No. 152, Moorhead Area Public Schools, may permanently transfer up to $150,388 from its long-term facilities maintenance reserve account in the general fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

Subd. 4. **West St. Paul-Mendota Heights-Eagan.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, may permanently transfer up to $4,500,000 from its building construction fund to the reserve account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

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

ARTICLE 2

HIGHER EDUCATION APPROPRIATIONS

Section 1. **APPROPRIATION; OFFICE OF HIGHER EDUCATION.**

$52,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of the Office of Higher Education for the state grant program under Minnesota Statutes, section 136A.121. This appropriation is in addition to the appropriation in Laws 2025, First Special Session chapter 5, article 1, section 2, subdivision 2. This is a onetime appropriation.

ARTICLE 3

HIGHER EDUCATION POLICY

Section 1. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1a, paragraph (a);

(5) all current promotional and recruitment materials and advertisements; ~~and~~

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

(iv) a description of all school facilities;

(v) a description of all current course offerings;

(vi) all requirements for satisfactory completion of courses, programs, and degrees;

(vii) the school's policy about freedom or limitation of expression and inquiry;

(viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(ix) the school's policy about refunds and adjustments;

(x) the school's policy about granting credit for prior education, training, and experience;

(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1a, paragraph (b).

Sec. 2. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 3. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. At the end of each fiscal year, the office must review the total amount of registration fees collected and the total costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) ~~to (d)~~ and (c) for new registrations.

(b) A new school must pay registration fees based on the institution's total full-time equivalent enrollment in the following amounts:

(1) $5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

(4) $15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) $20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education

Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

(c) A new school must pay registration fees in an amount equal to the fee under paragraph (b), plus fees for each nondegree program or degree as follows:

nondegree program	$250
degree program	$750

~~(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

~~(e)~~ (d) The annual renewal registration fee is based on an institution's total full-time equivalent enrollment in the following amounts:

(1) $1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) $7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

~~(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or~~

~~clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 4. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a~~; 136A.657;~~, or 136A.658 due to the nature of the institution's programs;

(4) schools exclusively engaged in training physically or mentally disabled persons;

(5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) programs contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant;

(7) schools with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) schools licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;

(9) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) programs ~~in the fine arts provided by organizations~~ exempt from taxation under section 290.05 and registered with the attorney general under chapter 309~~. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment~~; or

(12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 5. Minnesota Statutes 2024, section 136A.822, subdivision 9, is amended to read:

Subd. 9. **Fees and terms of license.** An application for an initial license under sections 136A.821 to 136A.833 shall be accompanied by ~~a nonrefundable~~ an application fee as provided in section 136A.824 that is sufficient to recover, but not exceed, the administrative costs of the office. At the end of each fiscal year, the office must review the total amount of initial licensure application fees collected and the total administrative costs of the office for initial licensures.

All licenses shall expire one year from the date issued by the office, except as provided in section 136A.823.

Sec. 6. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** Application for renewal of a license must be made at least 60 days before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a ~~nonrefundable~~ fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office. At the end of each fiscal year, the office must review the total amount of renewal licensure application fees collected and the total administrative costs of the office for renewal licensures.

Sec. 7. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure application is:

(1) $3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) $1,500 for a private career school licensed by another state agency and seeking a limited license exclusively in order to participate in state financial aid; and

(3) $3,730, plus $500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

~~(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the~~

~~same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 8. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school, the license renewal fee is $3,160; and

(2) for a private career school licensed by another state agency and that also has a limited license with the office exclusively in order to participate in state financial aid, the license renewal fee is $1,500.

(b) If a license renewal application is not received by the office by the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

~~(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 9. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended to read:

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

(1) ~~private career schools engaged exclusively in the teaching of avocational programs that are engaged primarily for personal development, recreation, or remedial education, and are not generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office;~~

~~(2)~~ classes, courses, or programs providing 40 or fewer clock hours of instruction; and

~~(3)~~ (2) private career schools providing training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed $500.

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2024, sections 136A.657; and 136A.834, subdivisions 2, 3, and 4, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are repealed.

ARTICLE 4

AGRICULTURE APPROPRIATIONS

Section 1. **APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.**

$80,000 in fiscal year 2026 is appropriated from the general fund to the board of directors of the Agricultural Utilization Research Institute for legal costs. This is a onetime appropriation and is available until June 30, 2029.

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

Sec. 2. Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended by Laws 2024, chapter 126, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	16,643,000	14,587,000

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

(b) $350,000 the first year and $350,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2026 and each year thereafter.

(c) $2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding

Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

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

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

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

(h) $75,000 the first year and $75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative committees and divisions with

jurisdiction over agriculture finance and policy. This is a onetime appropriation.

(i) $100,000 the first year and $100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) $1,950,000 the first year and $1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:

(1) at least $850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota

Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

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

(k) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

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

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

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

(o) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers.

Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(q) $1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) $1,084,000 the first year and $500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.

(s) $275,000 the first year is for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer

the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(t) $1,425,000 the first year and $1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(u) $150,000 the first year and $150,000 the second year are for administrative support for the Rural Finance Authority.

(v) The base in fiscal years 2026 and 2027 is $150,000 each year to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(w) $1,200,000 the first year and $930,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $1,065,000 in fiscal year 2026 and $1,065,000 in fiscal year 2027 and each year thereafter.

(x) $250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction

over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item.

(y) $1,000,000 the first year and $1,000,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(z) $222,000 the first year and $322,000 the second year are for meat processing training and retention incentive grants under section 5. By December 1 each year in 2026 and 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including award amounts to each partner organization, how much of each award was used, the types of expenses paid for with the funds, and the number of employees served. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any

unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation and is available until June 30, 2027.

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

(bb) $300,000 the second year is to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055. This is a onetime appropriation.

(cc) $25,000 the first year is for the credit market report. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(dd) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

Sec. 3. Laws 2025, chapter 34, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Protection Services**

	Appropriations by Fund	
		~~21,207,000~~
General	20,828,000	21,457,000
Remediation	399,000	399,000

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) $639,000 the first year and $639,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) $275,000 the first year and $250,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2025. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal money to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to

reimburse nonlethal prevention methods performed by federal wildlife services staff. The base for this appropriation is $175,000 in fiscal year 2028 and each year thereafter.

(d) $255,000 the first year and $230,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year for grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is $155,000 in fiscal year 2028 and each year thereafter.

(e) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(f) $750,000 the first year and $750,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, match federal money, and offer more online inspections for the purposes of this paragraph. This is a onetime appropriation.

(g) $500,000 the first year and $500,000 the second year are for grants to counties to support county agricultural inspectors. The commissioner may use up to three percent

of the appropriation each year for administration. This is a onetime appropriation. County agricultural inspectors and county-designated employees must annually submit an application, on a form approved by the commissioner, to be eligible for funding during a given year. The commissioner must equally divide available grant money among eligible counties. To be eligible for grants under this section, a county must employ a county agricultural inspector or a county-designated employee who:

(1) has attended training for new county agricultural inspectors offered by the commissioner;

(2) coordinates with the commissioner to review applicable laws and enforcement procedures;

(3) compiles and submits to the commissioner local weed inspector annual report data;

(4) conducts an annual meeting and training for local weed inspectors; and

(5) assists the commissioner with control programs and other agricultural programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as directed by the county board.

(h) $250,000 the first year and $250,000 the second year are appropriated to establish and administer the biofertilizer innovation and efficiency program ~~under Minnesota Statutes, section 18C.113~~. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of fiscal year 2026 does not cancel and is available until June 30, 2027. This is a onetime appropriation.

~~(j)~~ (i) $75,000 the first year is to conduct an evaluation of the practice performance and economic performance of the Olmsted County groundwater protection and soil health initiative, including the cover crop program, alternative crops program, and haying, grazing, and pasture enhancement program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may contract with an independent third party to conduct the evaluation.

~~(k)~~ (j) $420,000 the first year and $924,000 the second year are to support current services.

Sec. 4. Laws 2025, chapter 34, article 1, section 2, subdivision 3, as amended by Laws 2025, First Special Session chapter 11, section 11, is amended to read:

		~~23,301,000~~
Subd. 3. **Agricultural Marketing and Development**	23,551,000	24,301,000

(a) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(c) $100,000 the first year and $100,000 the second year are for mental health outreach and support to farmers, ranchers, farm

workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $50,000 in fiscal year 2028 and each year thereafter.

(d) $700,000 the first year and $700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

(e) $1,000,000 the second year is to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

~~(e)~~ (f) $18,257,000 the first year and $18,007,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is $17,449,000 in fiscal year 2028 and each year thereafter.

~~(f)~~ (g) Except as provided in paragraph ~~(g)~~ (h), the commissioner may allocate the appropriation in paragraph ~~(e)~~ (f) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including

beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph ~~(e)~~ (f) for costs incurred to administer the program.

~~(g)~~ (h) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

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

(2) $3,000,000 the first year and $3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for

which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $2,750,000 the first year and $2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit ~~a~~ the report ~~on~~ under Minnesota Statutes, section 41A.12, subdivision 3, that includes metrics of the biofuels infrastructure financial assistance program ~~by January 15~~ each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the

areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $350,000 the first year and $250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000;

(5) $1,594,000 the first year and $1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base for this appropriation is $1,636,000 in fiscal year 2028 and each year thereafter. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available federal administrative funds awarded for this purpose before using state funds;

(6) up to $1,750,000 the first year and up to $1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) $1,000,000 the first year and $1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to $200,000 the first year and up to $200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) $250,000 the first year and $150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to $2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to $525,000 the first year and up to $525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed $200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

~~(h)~~ (i) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph ~~(e)~~ (f) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI

Works grants under paragraph ~~(g)~~ (h), clause (10).

Sec. 5. Laws 2025, chapter 34, article 1, section 2, subdivision 4, as amended by Laws 2025, First Special Session chapter 11, section 12, is amended to read:

		~~11,145,000~~
Subd. 4. **Administration and Financial Assistance**	14,179,000	9,895,000

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

(b) $300,000 the first year and $300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2028 and each year thereafter.

(c) $1,250,000 the first year ~~and $1,250,000 the second year are~~ is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year ~~and appropriations encumbered~~

~~under contract by June 30, 2027, are available~~ and any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2029. ~~The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter~~ This is a onetime appropriation.

(d) $1,000,000 the first year and $1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. The commissioner may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) $1,000,000 the first year ~~and $1,000,000 the second year are~~ is to expand the Emerging Farmers Office and provide

services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) $137,000 the first year and $203,000 the second year are to support current services.

(h) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) $3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

~~(k)~~ (j) $50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground

telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

~~(r)~~ (k) $50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and environment by March 15, 2026.

(l) $1,250,000 the second year is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with annual gross farm product sales between $1,000 and $100,000. Of this appropriation, up to 50 percent may be awarded by lottery to priority applicants who possess a purchase agreement as of June 30,

2026. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2030. The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter.

~~(s)~~ (m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

ARTICLE 5

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2025 Supplement, section 17.1017, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit ~~an annual~~ the report ~~on~~ under section 41A.12, subdivision 3, that includes metrics of the food retail improvement and development program ~~by January 15 of~~ each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The ~~annual~~ report shall include~~, but not be limited to,~~ a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

(5) the demographics of the areas served;

(6) the costs of the program;

(7) the number of SNAP dollars spent;

(8) any increase in retail square footage;

(9) the number of loans or grants to businesses owned by women and Black, Indigenous, or Persons of Color; and

(10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 1, is amended to read:

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

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

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

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

(3) has earned at least $1,000 in farm income or has evidence of farming experience;

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

~~(3)~~ (5) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

~~(4)~~ (6) is not, and whose spouse is not, a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Evidence of farming experience" means that an individual has:

(1) completed an approved farm business management program;

(2) a four-year degree in an agriculture-related field; or

(3) at least three years of experience managing a comparable farm.

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

~~(d)~~ (e) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

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

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

~~(f)~~ (g) "Limited market access" means the individual has gross sales of no more than $100,000 per year from the sale of farm products.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to 30 percent of the purchase price of a farm, with a maximum grant of $20,000 per eligible farmer. Each award must be matched with at least $8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For the first five years, each recipient must verify gross farm income of at least $1,000 or demonstrate investment of at least $1,000 in farm business infrastructure, equipment, perennial crops, or livestock. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

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

Sec. 4. Minnesota Statutes 2024, section 18J.01, is amended to read:

18J.01 DEFINITIONS.

(a) The definitions in this section; chapters 18G, 18H, 18K, 27, 223, 231, and 232; and sections ~~18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21~~ 21.111 to 21.125 and 21.80 to 21.92 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 and 21.80 to 21.92.

Sec. 5. Minnesota Statutes 2024, section 18J.02, is amended to read:

18J.02 DUTIES OF COMMISSIONER.

The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections 21.111 to 21.125, and 21.80 to 21.92; and associated rules.

Sec. 6. Minnesota Statutes 2024, section 18J.03, is amended to read:

18J.03 CIVIL LIABILITY.

A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 or 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 7. Minnesota Statutes 2024, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, grain, household goods, general merchandise, produce, or other living or nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 8. Minnesota Statutes 2024, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) sampling of sites, seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may threaten public health or the environment.

Sec. 9. Minnesota Statutes 2024, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If

an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Sec. 10. Minnesota Statutes 2024, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Sec. 11. Minnesota Statutes 2024, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Sec. 12. Minnesota Statutes 2024, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

(1) report the violation for prosecution;

(2) institute seizure proceedings; or

(3) issue a withdrawal from distribution, stop-sale, or other order.

Sec. 13. Minnesota Statutes 2024, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 14. Minnesota Statutes 2024, section 18J.06, is amended to read:

18J.06 FALSE STATEMENT OR RECORD.

A person must not knowingly make or offer a false statement, record, or other information as part of:

(1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 15. Minnesota Statutes 2024, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 16. Minnesota Statutes 2024, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Sec. 17. Minnesota Statutes 2024, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 18. Minnesota Statutes 2024, section 18J.09, is amended to read:

18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary account under section 18H.17, industrial hemp account under section 18K.07, ~~or~~ seed potato inspection account under section 21.115, seed inspection account under section 21.92, or grain buyers and storage account under sections 223.17 and 232.22.

Sec. 19. Minnesota Statutes 2024, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction of plant substances other than cannabinoids, and ~~packaging~~ pressing. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include extraction of cannabinoids or the production of artificially derived cannabinoids as defined in section 342.01, subdivision 6.

Sec. 20. Minnesota Statutes 2024, section 18K.02, subdivision 6, is amended to read:

Subd. 6. **Processing location.** "Processing location" means any area, building, plant, or facility registered with and approved by the commissioner in which a licensee converts raw industrial hemp into a marketable product.

Sec. 21. Minnesota Statutes 2024, section 18K.04, subdivision 1, is amended to read:

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before (1) growing industrial hemp, (2) processing industrial hemp, or (3) researching industrial hemp.

(b) To obtain a license under paragraph (a), a person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

(c) For a license to grow or process industrial hemp, the license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown or processed by the applicant and any other information required under Code of Federal Regulations, title 7, part 990.

~~(d) For a license to process industrial hemp, the license application must include the name and address of the applicant, the legal description of the processing location, and any other information required by the commissioner.~~

~~(e)~~ (d) A licensee is responsible for compliance with the license requirements irrespective of the acts or omissions of an authorized representative acting on behalf of the licensee.

~~(f)~~ (e) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

~~(g)~~ (f) A person licensed under paragraph (a) to grow industrial hemp is presumed to be growing industrial hemp for commercial or research purposes.

Sec. 22. Minnesota Statutes 2024, section 21.111, is amended to read:

21.111 DEFINITIONS.

Subdivision 1. **Scope.** When used in sections 21.111 to ~~21.122~~ 21.125 the terms defined in this section shall have the meanings ascribed to them.

~~Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by the potato plants are examined by or under the authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records, including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.~~

Subd. 3. **Certified.** "Certified" means that the potatoes ~~were~~ have been inspected while growing in the field and, when possible, again after being harvested, and ~~were thereafter duly certified by or under the authority of the commissioner, as provided~~ the potatoes meet the requirements in sections 21.111 to ~~21.122, and as provided by rules adopted and published by the commissioner~~ 21.125. For seed potatoes produced in ~~a lab~~ an indoor facility or greenhouse, certified means that~~:~~

~~(1)~~ the seed potato ~~lab~~ facilities, ~~and the lab's~~ procedures, and protocols have been examined under the authority of the commissioner~~; and~~.

~~(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122.~~

~~Subd. 3a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections, shipping point inspections, winter tests, and other certification functions to be carried out by personnel employed by either entity according to methods determined by the certification entities of the respective areas. The commissioner may extend seed potato certification services to states where growers wish to grow certified seed potatoes and the state does not have a seed potato certification program. Any agreement must be reported to the chairs of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.~~

Subd. 3b. **Certified seed potatoes.** "Certified seed potatoes" means potatoes that have been produced, graded, sacked or placed in bulk, inspected, and certified in accordance with this chapter.

Subd. 3c. **Class.** "Class" means the seed quality level related to compliance with tolerances for diseases and varietal purity.

Subd. 3d. **Clone.** "Clone" means a unit of seed potatoes that is the progeny of one plant, which has been tested to become eligible to produce Generation 1 class seed potatoes.

Subd. 3e. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Subd. 3f. **Crop.** "Crop" means all lots produced on a farm in one year.

Subd. 3g. **Department.** "Department" means the Department of Agriculture.

Subd. 3h. **Explant.** "Explant" means an in vitro potato plant or a plantlet that is produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant and that serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subd. 3i. **Farm.** "Farm" means a potato-growing enterprise. Farm includes all land, equipment, storage facilities, and laborers used to produce potatoes.

Subd. 3j. **Field.** "Field" means a plot of land on a farm where potatoes are grown.

Subd. 3k. **Inspected.** (a) For plants growing in a field, "inspected" means that the commissioner has examined the plants in the field where the plants are grown and has visually assessed the plants for disease and factors impacting quality.

(b) For harvested potatoes, inspected means that the commissioner has observed the tubers and, when requested, the commissioner has evaluated the tubers for quality and conditions described in section 21.125.

(c) For seed potatoes produced in a facility or greenhouse, inspected means that the commissioner has examined the seed potatoes and the facility's records, including records related to the facility's procedures and protocols.

Subd. 3l. **Lot.** "Lot" means a group of seed potatoes of one variety, planted in one continuous plot, grown on the same farm, and physically separated from other lots while being grown and stored.

Subd. 3m. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied, under controlled laboratory conditions.

Subd. 3n. **Roguing.** "Roguing" is the process of removing infected plants from a field of certified seed potatoes.

Subd. 3o. **Stand.** "Stand" is the live plant population in a certified seed potato lot.

Subd. 5. **Seed potatoes.** "Seed potatoes" means potatoes used, sold, offered or exposed for sale, or held with intent to sell or as a sample representing any lot or stock of potatoes offered or exposed for sale or held with intent to sell within this state, for the purpose of planting.

Subd. 6. **Person.** "Person" includes an individual, a partnership, a corporation, a company, a society, an association, and ~~firms~~ a firm.

Subd. 7. **Physically separated.** "Physically separated" means separated by at least the width of one row and markings such as flags at every corner of the lot.

Subd. 8. **Rejected.** "Rejected" means that a field or lot fails to meet the certification standards in this chapter.

Subd. 9. **Tuber units.** "Tuber units" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

Subd. 10. **Winter testing.** "Winter testing" means growing out and visually inspecting a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease.

Sec. 23. Minnesota Statutes 2024, section 21.112, is amended by adding a subdivision to read:

Subd. 1a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.125. An agreement under this subdivision may provide for field inspections, shipping point inspections, winter testing, and other certification functions to be carried out by personnel employed by either the commissioner or other seed potato certification entities according to methods determined by the seed potato certification entities. The commissioner may extend seed potato certification services to a state where growers wish to grow certified seed potatoes and where the state does not have a seed potato certification program. Any agreement under this subdivision must be reported to the chairs and ranking minority members of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.

Sec. 24. Minnesota Statutes 2024, section 21.113, is amended to read:

21.113 SHIPPING POINT CERTIFICATES ~~OF INSPECTION~~; CERTIFICATES OF ORIGIN; AND BULK CERTIFICATES.

Subdivision 1. **Shipping point inspections.** (a) The commissioner shall issue shipping point certificates of inspection only when seed potatoes have been inspected while growing in the field and again after being harvested.

~~(b) For seed potatoes produced in a lab, the commissioner shall issue certificates of inspection only after:~~

~~(1) the seed potato lab facility and the lab's records have been inspected; and~~

~~(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab.~~

~~(c)~~ (b) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and any other information as may be prescribed by ~~rules adopted and published under~~ sections 21.111 to ~~21.122~~ 21.125.

Subd. 2. **Other certificates.** (a) The use of a certificate of origin requires the approval of the seller and the purchaser and must only be used for intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify the producer, receiver, variety, classification, quantity, date of shipment, and lot of the seed potatoes. The limitation of warranty as described in paragraph (c) must not include any representation of the condition of the potatoes at the time of shipment. A certificate of origin must only be used for intrastate shipment if a shipping point inspection is not available. Use of a certificate of origin must be approved by the commissioner prior to shipment.

(b) A bulk certificate must include the date of issuance, class, grade, lot number, and approximate weight of the load.

(c) A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification must only represent that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with this chapter. A certification under this subdivision must not include any representation of the condition of the potatoes at the time of shipment.

Sec. 25. Minnesota Statutes 2024, section 21.115, is amended to read:

21.115 FEES; SEED POTATO INSPECTION ACCOUNT.

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the agricultural fund and credited to the seed potato inspection account of the commissioner, which account is hereby created and appropriated for carrying out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits of these moneys shall be credited to the account, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 26. Minnesota Statutes 2024, section 21.117, is amended to read:

21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS; AMENDMENTS.

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to ~~21.122 and the rules adopted and published thereunder~~ 21.125.

(b) If a grower wishes to withdraw ~~a field or lab~~ an application after having made a timely application for inspection and such withdrawal is requested before the field or ~~lab~~ facility inspection

has been made, the fee paid shall be refunded to said grower. A grower must submit a withdrawal request in writing and include a reason for withdrawal. A grower must remove withdrawn acres from production before the first field inspection.

(c) If a grower wishes to amend an application after submitting a timely application for inspection, the grower must submit the request in writing, including a reason for the amendment.

Sec. 27. Minnesota Statutes 2024, section 21.119, is amended to read:

21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.

It shall be unlawful to use or employ the term "certified" or the term "inspected," or any term or terms conveying a meaning substantially equivalent to the meaning of either of these terms, either orally or in writing, printing, marking, or otherwise in reference to or in connection with, or in advertising or characterizing or labeling seed potatoes or the containers thereof, unless such potatoes shall have been duly inspected and certified pursuant to the provisions of sections 21.111 to ~~21.122~~ 21.125.

Sec. 28. Minnesota Statutes 2024, section 21.1195, is amended to read:

21.1195 MINIMUM STANDARDS FOR PLANTING.

(a) Seed potatoes may not be planted in the state in lots ~~of~~ totaling ten or more acres unless the seed meets the minimum disease standards prescribed by the commissioner. Seed potatoes may meet the standards by being certified in accordance with this chapter and rules adopted by the commissioner, or under the certification program of another state or province which, in the judgment of the commissioner, provides equivalent assurances of seed potato quality. Seed potatoes may be planted without certification if they have had at least field inspection as required for certified seed potatoes, have passed the field inspection standards of disease tolerance, and are free from ring rot. ~~A person that plants seed potatoes in violation of this section is subject to a civil penalty of $20 per acre for each acre or part of an acre planted in violation of this section.~~ Failure to maintain complete and accurate records in accordance with this section ~~or rules adopted by the commissioner is an additional violation resulting in a separate civil penalty of $200 for each failure~~ is a violation and subject to enforcement under chapter 18J.

(b) If there is not available to be planted in this state, in any year, a sufficient volume of potato seed meeting certified seed potato disease standards, in any or all varieties, the commissioner may, upon application by one or more growers, permit seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious disease threat.

(c) Each grower shall keep records of each lot of seed potatoes planted. For each growing season, the records must include, by field, the variety, planting location, number of acres planted, and source of the seed potatoes. Each grower shall register fields and file records as prescribed by the commissioner. All records must be made available for inspection by the commissioner or the commissioner's agents during normal business hours.

(d) In addition to the enforcement powers and penalties in this section, the commissioner may issue a subpoena to a grower in order to compel delivery of records which are required under this section. These subpoenas are enforceable by any court of competent jurisdiction.

Sec. 29. **[21.123] SEED POTATO CERTIFICATION.**

Subdivision 1. **Eligibility.** In order to produce certified seed potatoes, a grower must comply with the following requirements:

(1) a grower must ensure that potatoes meet the tolerances prescribed by this chapter and the potatoes have been inspected by the commissioner while growing in a field;

(2) a grower must ensure that all potatoes planted on the grower's farm have been entered for certification by the commissioner;

(3) a grower must ensure that each lot is grown while physically separated from other lots. Markers must be visible to a person from any position in the field;

(4) a grower must submit an application for certification before June 16 each year on forms provided by the commissioner. The commissioner must charge a ten percent late registration fee to a grower who submitted an application postmarked after June 15 and before July 1. The commissioner may extend the deadline due to special circumstances, such as a natural disaster, that make it impractical or impossible for planting to be completed by the deadline and that affect an area or large number of growers. A grower must make a request for an extension in writing before June 16;

(5) an application for certification must include a North American Health Certificate and a shipping point certificate, bulk seed certificate, or certificate of origin. The commissioner may accept an incomplete application for certification;

(6) an application for certification must demonstrate that the seed potatoes being entered for certification originated from a class system in Minnesota or another state or province under the supervision of another certifying agency; and

(7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower must not sell or label potatoes as certified seed potatoes when the potatoes were grown in a rejected field or lot.

Subd. 2. **Certification process.** (a) As part of the certification process, the commissioner must visually inspect sample plants from each field and lot belonging to the grower, except that the commissioner is not required to visually inspect sample plants and tubers when certifying prenuclear class potatoes.

(b) For seed potato varieties that do not exhibit visible symptoms of a specific pathogen, the commissioner must subject the seed potatoes to laboratory tests to determine the level of a pathogen in a seed lot. Testing under this paragraph may occur during the growing season, the storage season, or winter testing.

(c) The commissioner may not accept an application for certification from a grower in a community or county without sufficient acreage for total inspection fee charges to cover the cost of wages and expenses of the commissioner to complete an inspection. The commissioner may make a determination of sufficient acreage under this paragraph before conducting an inspection as part of the certification process.

(d) The commissioner must not inspect a field for certification unless both the planted seed potato variety and the particular planted lot have been authorized by the commissioner. When considering the authorization of a particular seed potato variety for planting as certified seed potatoes, the commissioner must consider scientific evidence and the expert opinions of inspectors.

(e) The following classes of seed potatoes are eligible for planting as certified seed potatoes: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and experimental class seed potatoes. The commissioner may authorize the planting of Certified (C) class or Generation 6 (G6) class seed potatoes if the commissioner determines that the seeds do not pose a serious threat of disease to the public.

Subd. 3. **Bacterial ring rot or potato spindle tuber viroid.** If the commissioner finds the presence of bacterial ring rot or potato spindle tuber viroid in a field or lot, the commissioner must reject the entire field or lot. If the commissioner discovers a single plant in a field or a tuber in storage that is infected with bacterial ring rot or potato spindle tuber viroid, the commissioner must reject the entire field or lot where the plant was grown. If the commissioner has not found bacterial ring rot or potato spindle tuber viroid in a field or lot, the field or lot is not necessarily free from either disease.

Subd. 4. **Winter testing.** (a) In order to detect certain virus diseases, the commissioner must conduct winter testing of a sample from each class seeking eligibility for recertification, except PN and experimental classes. The commissioner must grow out and visually inspect a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease. If, during a visual inspection, a plant shows signs of potato virus Y or potato leafroll virus, or if the plant is of a variety that does not express visual symptoms of infection, the commissioner must ensure that a sample of the plant is lab tested for potato virus Y and potato leafroll virus. The commissioner must determine whether a field or lot contains the threshold amount of disease permitted under section 21.124, subdivision 9. The commissioner must include any lot that passes winter testing in the approved list of certified seed lots eligible for recertification.

(b) If the commissioner determines that a winter test of a lot or field has a serious malfunction, the commissioner must base classification of the lot or field on summer field readings from the previous year or lab testing.

(c) Instead of winter testing a sample, the commissioner may accept comprehensive lab testing if the commissioner determines that special circumstances exist, such as a natural disaster, that would make submission of samples for inclusion in winter testing impractical or impossible.

(d) The commissioner must reject a field or lot if the commissioner determines that a large number of plants are missing from the field or lot due to disease.

(e) The commissioner must reject a field or lot if the commissioner determines that the field or lot contains a large number of weak plants.

(f) The commissioner may reject a field or lot if the field or lot contains a large number of plants that have a mixture of variety.

Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed origin. Seed potato

certification classes are: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), Generation 6 (G6), and Certified (C).

Subd. 6. **Experimental status.** (a) Lots from a breeder's seed that have not been tested and have not been determined to be virus-free are considered experimental. The commissioner must designate seedlings or numbered selections in experimental status as a class and determine requirements of that class.

(b) To obtain experimental status under this subdivision, an applicant must submit a written statement from the seedlings' or numbered selections' breeder, originator, or originator's designee verifying that the applicant has full and unrestricted rights to introduce the seedlings or numbered selections into the commercial market and that the applicant may apply to enter the seedlings or numbered selections into the certification system. The written statement must accompany the certification application submitted by the applicant.

(c) After reviewing the applicant's written statement and certification application, the commissioner may designate seedlings or numbered selections described in the application as having experimental status.

(d) After an applicant is notified by the commissioner that the seedlings or numbered selections have experimental status, the applicant must ensure that the seedlings or numbered selections are tagged with the word "EXPERIMENTAL."

Subd. 7. **Protected varieties.** If an applicant seeks to enter a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 into the certification system, the applicant must submit a written statement from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the certification system. The applicant must ensure that the written statement accompanies the certification application for any protected seed potato variety.

Subd. 8. **Certification factors; field inspection.** (a) The commissioner must consider the following factors when conducting a field inspection pursuant to a certification application:

(1) the commissioner must reject a field or lot if a large number of plants are missing due to disease;

(2) the commissioner must reject a field or lot if the field or lot contains a large number of weak plants;

(3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification planting;

(4) the commissioner must reject a field or lot if the field or lot contains potatoes with a level of disease higher than the acceptable tolerance for the disease for the potatoes' seed potato certification class according to section 21.124, subdivision 9;

(5) the commissioner must reject a field or lot if the field or lot contains a percentage of diseased plants that exceeds the acceptable percentage of disease listed in section 21.124 for the seed potato certification class;

(6) the commissioner must reject a field or lot if any of the following are present in the field or lot to such an extent that the commissioner is unable to complete a satisfactory inspection for diseases: early or late blight, blackleg or wilt of any kind, weeds, plant injury from insects, or chemical damage; and

(7) the commissioner must reject a field or lot if any other conditions are present to such an extent that the commissioner is unable to make a satisfactory inspection for diseases.

(b) The commissioner must determine that a field is ineligible for certification if cull piles are in such close vicinity to the field that it is likely that the field is contaminated.

(c) The commissioner must make at least two field inspections of a field during the growing season. The commissioner must conduct a final inspection of a field for bacterial ring rot during the time of year that symptoms of bacterial ring rot are most likely to be observed. If the commissioner is unable to conduct a final inspection under this paragraph due to management practices of the grower or for a reason that is out of the grower's control, such as a natural disaster, the grower must ensure that laboratory testing is conducted to maintain eligibility for certification. An additional inspection or additional laboratory testing may be necessary to meet phytosanitary requirements in established markets in another state or in a Canadian province.

Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are present in a field in amounts greater than the maximum disease tolerance level, the grower must rogue the field and remove the infected plants before the final inspection by the commissioner. If a grower has completed roguing a field after tubers have formed, the grower must remove and destroy all tubers from rogued plants.

Subd. 10. **Storage.** (a) A grower must ensure that a lot is stored under conditions that prevent disease contamination. A grower must not store a lot in any warehouse where other potatoes are stored, unless the grower labels the lot according to paragraph (b).

(b) If more than one grower stores lots in the same warehouse, each grower must identify the grower's lots by labeling the bin containing the lot with the grower's name, the grower's address, the variety of potatoes in the bin, and the number of potatoes in the bin.

(c) If a grower plans to store a lot in a public warehouse or storage unit that is not directly under the grower's control, the grower must send a complete record of storage to the commissioner prior to storing the lot. The record must include the address and location of the public warehouse or storage unit, the variety of potatoes in each bin, and the number of potatoes in each bin. If a warehouse receipt for the lot is available, the grower must submit a copy of the warehouse receipt to the commissioner. If more than one grower stores lots in the same public warehouse or storage unit, the grower must label each lot according to paragraph (b).

(d) A grower must not use the same equipment for grading and handling lots of certified seed potatoes and other potatoes. If a grower has used the same equipment for grading and handling certified seed potatoes and other potatoes, the commissioner must reject the grower's lots.

(e) A firm that handles lots under contract must label each bin containing a lot with the name of the grower whose lots are being stored. A firm handling lots under contract must properly label and handle bins containing lots. A certification tag or bulk certificate must not be issued unless all bins are properly labeled according to this paragraph.

(f) By November 1 of each crop year, a grower must submit to the commissioner a completed storage and yield report for each lot on a form prescribed by the commissioner. The commissioner may extend the deadline after November 1 due to special circumstances, such as a natural disaster, that would make it impractical or impossible for a grower to complete harvesting and storage by November 1 and that affect an area or a large number of growers. A grower must submit a written request for an extension to the commissioner before November 1 of the crop year for which the extension is sought.

Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125, a grower may tag the potatoes using an approved tag indicating the grade of potatoes as blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or white-tag-certified seed potato grade. A grower's name, the city where the farm is located, the potato variety, and the crop year must be printed on a tag under this subdivision.

(b) When fastening a tag to a potato sack, a grower must fasten the tag to the sack to form a seal at the time that the lot or shipment is prepared.

(c) A bulk certificate must include the date that the certificate was issued, class, grade, lot number, shipping point certificate number, and approximate weight of the lot.

(d) Only the person who grew the potatoes may order or print tags for the potatoes once the commissioner has informed the person that the potatoes meet certification requirements under sections 21.111 to 21.125.

(e) A grower may print a tag for potatoes if the grower has provided proof of each lot to the commissioner for review before using the tag. A tag printed by a grower must contain the following statement: "The quality and condition of each lot is only confirmed through a shipping point inspection certificate. This tag, without an accompanying shipping point inspection certificate, is not proof that the potatoes contained within have been duly inspected."

Subd. 12. **Certified seed potato grades.** Certified seed potatoes must be classified by certified seed potato grades based on the number of physical defects of tubers. A grower must only use a certified seed potato grade for potatoes after a shipping point inspection of the potatoes has been completed. The following three grades of certified seed potatoes must be used for Minnesota-certified seed potatoes:

(1) the blue-tag-certified seed potato grade is the first grade of certified seed potatoes. The blue-tag-certified seed potato grade is stricter than other grades. The blue-tag-certified seed potato grade does not allow as many physical defects of tubers as other grades. A grower may use the blue-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes;

(2) the yellow-tag-certified seed potato grade is the second grade of certified seed potatoes. The yellow-tag-certified seed potato grade allows more physical defects of tubers than the

blue-tag-certified seed potato grade. A grower may use the yellow-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes; and

(3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes. The number of physical defects that the white-tag-certified seed potato grade allows is determined by an agreement between the purchaser and seller of the certified seed potatoes. A grower may use the white-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

Subd. 13. **Grading.** (a) A grower must ensure that a lot is inspected at the shipping point if the lot requires a grade statement.

(b) If an inspection at the shipping point is impossible, a grower must request a grading inspection in transit.

(c) A grower must ensure that a bagged lot or shipment offered for sale and tagged with approved certification tags is contained in new even-weight sacks.

(d) A grower must ensure that a bulk shipment is identified with a bulk certificate.

(e) A grower must ensure that a bagged lot and bulk lot or shipment meets grade standards in section 21.125.

(f) A grower must recondition a lot or shipment that fails to meet the grade standards in section 21.125.

(g) If a lot or shipment fails to meet grade standards and is contained in sacks, a grower must remove approved certification tags from the lot or shipment before the lot or shipment may proceed to its destination.

(h) If a shipment is in bulk and fails to meet grade standards in section 21.125, a bulk certificate must not be issued.

(i) If a lot or shipment fails to meet grade standards, the shipper must bear the costs of reconditioning potatoes to meet the grade standards in section 21.125.

Sec. 30. **[21.124] REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.**

Subdivision 1. **Prenuclear class certified seed potatoes.** (a) A lot grown as and intended to be prenuclear class certified seed potatoes must be grown from plants tested and shown to be free from the following pathogens:

(1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);

(2) *Pectobacterium atrosepticum* ssp. *Atrosepticum, carotovora* (blackleg);

(3) potato virus X;

(4) potato virus S;

(5) potato virus A;

(6) potato virus M;

(7) potato virus Y;

(8) potato spindle tuber viroid; and

(9) potato leafroll virus.

(b) When growing prenuclear class seed potatoes, a grower must ensure that each explant or tuber is tested for organisms for which testing is required by the state or province of destination. A grower must ensure that material in maintenance is tested during the year of producing prenuclear class seed potatoes.

(c) A grower must produce prenuclear class seed potatoes in a greenhouse, facility, or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions that would allow possible disease contamination. A grower must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated from insects by screens and double doors. The commissioner may inspect any facility or equipment used for growing, handling, and storing prenuclear class seed potatoes to verify that the facility or equipment complies with this paragraph.

(d) A grower must ensure that one percent of each lot or ten plants or tubers from each lot, whichever is greater, is tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P. atrosepticum*.

(e) Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

(f) Prenuclear class certified seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes must meet the following requirements:

(1) the seed source must be either prenuclear tubers, clones, or plantlets; and

(2) tuber units or plantlets must be planted in identifiable family units.

(b) Subject to the commissioner's approval, lots in Generation 1 class may be exempt from winter testing requirements if leaves collected during the growing season are laboratory tested and shown to be within the allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the commissioner.

(c) Each lot must be stored in an individual identifiable unit.

(d) Generation 1 seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture for seed potatoes in subdivision 9.

Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from generation classes of seed potatoes. Certified class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation class.** The numbers represent the percentage of potatoes that may be affected out of an individual lot.

	PN	G1	G2	G3	G4	G5	G6	C
Tolerances:								
Severe Mosaic from potato virus Y, A, M, X, and/or S	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Leafroll	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Other viruses	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mycoplasms (haywire, witches broom, yellow dwarf)	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Blackleg	0	0	0.2	0.5	1	exc.	exc.	exc.
Varietal mixture	0	0	0	0.1	0.1	0.1	0.2	0.2
Ring Rot and Spindle Tuber	0	0	0	0	0	0	0	0
Winter Test:								
Virus or expressing symptoms of chemical damage	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Sec. 31. **[21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.**

Subdivision 1. **Certified seed potato grading.** Potatoes must meet the requirements of sections 21.111 to 21.125 to be graded as certified seed potatoes.

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

(b) "Damage" means any defect or combination of defects that materially affects the appearance of the individual potato, or that cannot be removed without a loss of more than five percent of the total weight of the potato, including the peel covering the defective area.

(c) "Diameter" means the greatest dimension at right angles to the longitudinal axis. Diameter means the long axis.

(d) "Dry rot" means decaying tissue that is dry.

(e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

(f) "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

(g) "Mature" means that the outer skin does not loosen or feather readily during the ordinary methods of handling.

(h) "Serious damage" means any defect or combination of defects that seriously affects the appearance of the individual potato or that cannot be removed without a loss of more than ten percent of the total weight of the potato, including the peel covering the defective area.

(i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or other foreign matter.

(j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato tissues.

(k) "Well-shaped" means the normal shape for a variety.

Subd. 3. **Damage.** The commissioner must find that one or more of the following defects constitutes damage:

(1) a russet scab that materially detracts from the appearance of a potato;

(2) second growth or growth cracks that materially affect the appearance of an individual potato;

(3) air cracks when removal of the air cracks causes a loss of more than five percent of the total weight of a potato;

(4) a potato that is more than moderately shriveled, spongy, or flabby;

(5) an individual potato that has sprouts over one inch in length;

(6) a surface scab, powdery scab, or pitted scab that covers more than five percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a potato to lose more than five percent of the potato's total weight, including peel covering a defective area of the potato; or

(7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or more than 15 percent of a potato's surface is badly caked with soil.

Subd. 4. **Serious damage.** The commissioner must find that one or more of the following defects constitutes serious damage:

(1) a russet scab that seriously detracts from the appearance of a potato;

(2) the appearance of a potato is seriously affected by caked or smeared dirt or other foreign matter;

(3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato is cut away from one end, or a remaining portion of a clipped potato weighs less than six ounces;

(4) one or more cuts that seriously affect the appearance of a potato or that cannot be removed without the loss of more than ten percent of a potato's total weight, including peel covering the defective area;

(5) a potato that is excessively shriveled, spongy, or flabby;

(6) a surface scab, powdery scab, or pitted scab that covers more than 25 percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a loss of more than ten percent of a potato's total weight, including peel covering the defective area; or

(7) wireworm or air cracks that, when removed, cause a loss of more than ten percent of a potato's total weight.

Subd. 5. **Application of tolerance.** If the average of an entire lot is within the disease tolerances specified for the grade in section 21.124, subdivision 9, an individual container in the lot may contain no more than double the disease tolerance specified in section 21.124, subdivision 9, except that sprouts, at least one defective specimen with a defect other than bacterial ring rot, and one off size specimen is permitted. This subdivision does not apply to bulk conveyances.

Subd. 6. **Condition after transit.** Deterioration that developed in transit must affect the condition of potatoes. Deterioration that developed in transit must not affect the grade of potatoes.

Subd. 7. **Minnesota blue-tag-certified seed potato grade.** (a) To be graded as Minnesota blue-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scabs, surface scabs, powdery scabs, russet scabs, dry rot, other diseases, insects or worms, mechanical or other means, or flattened or depressed areas with underlying flesh discoloration; and free from serious damage caused by hollow heart, wireworm, growth cracks,

or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if the potatoes are labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for round or intermediate shaped varieties, the maximum potato size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum size must not be more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and the specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of a lot may be seriously damaged by internal discoloration due to causes other than hollow heart;

(iii) up to ten percent of a lot may be damaged by soil or other foreign matter;

(iv) up to 20 percent of a lot may be damaged by sprouts;

(v) up to ten percent of a lot may be seriously damaged by wireworm;

(vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a lot may contain up to a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vii) the presence of the following does not affect seed quality and must not be scored against the potatoes' grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks; and

(G) silver scurf; and

(2) for off size:

(i) up to five percent of potatoes may fail to meet the required or specified minimum size; and

(ii) up to ten percent of potatoes may fail to meet the required maximum size.

Subd. 8. **Minnesota yellow-tag-certified seed potato grade.** (a) To be graded as Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, the potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts, shriveling, pitted scabs, surface scabs, powdery scabs, dry rot, other diseases, insects or worms, or mechanical means or other means; and free from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size specifications from the grower and the size specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of potatoes may be seriously damaged by internal discoloration due to a cause other than hollow heart;

(iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign matter;

(iv) up to ten percent of potatoes may be seriously damaged by wireworm;

(v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vi) the presence of the following does not affect seed quality and must not be scored against the grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks;

(G) silver scurf; and

(H) sprouts; and

(2) for off size:

(i) five percent for potatoes that fail to meet the required or specified minimum size; and

(ii) ten percent for potatoes that fail to meet the required maximum size.

(c) The potatoes must be fairly well-shaped, with an exception for long varieties when specified as "except for shape." When specified as "except for shape," the tubers may be misshapen.

Subd. 9. **Minnesota white-tag-certified seed potato grade.** Minnesota white-tag-certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft

rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Sec. 32. Minnesota Statutes 2024, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) A labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person. Permit fees are based on the initial sale of seed in Minnesota.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of $75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of $0 to $25,000, the annual permit fee is $75;

(2) for gross sales of $25,001 to $50,000, the annual permit fee is $150;

(3) for gross sales of $50,001 to $100,000, the annual permit fee is $300;

(4) for gross sales of $100,001 to $250,000, the annual permit fee is $750;

(5) for gross sales of $250,001 to $500,000, the annual permit fee is $1,500;

(6) for gross sales of $500,001 to $1,000,000, the annual permit fee is $3,000; and

(7) for gross sales of $1,000,001 and above, the annual permit fee is $4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of $75. Labelers holding seed fee permits covered under this paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

(1) oats, wheat, and barley, 9 cents per hundredweight;

(2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;

(3) field corn, 17 cents per 80,000 seed unit;

(4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;

(5) sunflower, $1.96 per hundredweight;

(6) sugar beet, 12 cents per 100,000 seed unit;

(7) soybeans, 7.5 cents per 140,000 seed unit;

(8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most closely resembling it in normal planting rate applies; and

(9) for native grasses and wildflower seed, $1 per hundredweight.

(e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into Minnesota by a person other than the labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods ~~are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year~~ must be determined by the commissioner and communicated annually to permit holders. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of $100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than $500 for each late semiannual report. A $15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 33. Minnesota Statutes 2025 Supplement, section 28A.04, subdivision 1, is amended to read:

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person ~~shall~~ may engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license ~~shall~~ must be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and ~~shall~~ must contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of $50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

(c) A food handler license ~~shall~~ must be issued for the period January 1 to December 31 and ~~shall~~ must be renewed thereafter by the licensee on or before January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

(2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year. A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph ~~(b)~~ (c) must be assessed in accordance with section 28A.08.

(e) A custom exempt food handler license ~~shall~~ must be issued for the period July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

(f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that:

(1) a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (c) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period~~.~~; and

(2) a person applying for a license to operate as a special event food stand must pay the entire fee specified in section 28A.08, subdivision 3, regardless of when the application is filed.

Sec. 34. Minnesota Statutes 2024, section 28A.0752, is amended to read:

28A.0752 DELEGATION OF POWERS AND DUTIES.

Subdivision 1. **Agreements to perform duties of commissioner.** (a) The commissioner may enter into agreements to delegate ~~licensing and inspection~~ duties of the commissioner to community health boards pertaining to ~~retail~~ food handlers ~~shall~~ whose primary mode of business is to sell or to process and sell food directly to the ultimate consumer. An agreement under this section may include duties of licensing, inspection, reporting, and enforcement ~~duties~~ authorized under ~~sections~~ this chapter and chapters 29 and 30; section 17.04~~, 29.21, 29.23, 29.235, 29.236, 29.237, 29.24, 29.25, 29.26, 29.27, and 30.49,~~; appropriate sections of the Minnesota Food Law, chapters 31 and 34A~~,~~; and applicable Minnesota food rules.

(b) Agreements under this section are subject to subdivision 3.

(c) ~~This subdivision does not affect agreements entered into under section 28A.075 or current cooperative agreements which base inspections and licensing responsibility on the firm's most predominant mode of business.~~ The commissioner must not delegate duties under this section pertaining to custom exempt food handlers and food handlers inspected under the state meat inspection program under chapter 31A.

(d) The commissioner must not delegate duties under this section pertaining to food handlers whose principal mode of business is to sell food to other business entities or establishments for resale.

(e) The commissioner must not delegate duties under this section pertaining to food handlers who conduct activities regulated under Code of Federal Regulations, title 21, part 111; 112; 113; 114; 117, subpart C; 120; or 123.

Subd. 2. **Approval of agreements.** (a) An agreement under this section to delegate ~~licensing and inspection of retail food handlers~~ duties to a community health board must be approved by the commissioner ~~and is subject to subdivision 3~~.

(b) An agreement to delegate the commissioner's duties to a designated agent established before January 1, 2025, remains in effect if the designated agent's performance continues to meet the standards necessary to substitute for the commissioner's duties and complies with the requirements of subdivisions 1 and 3.

Subd. 3. **Terms of agreements.** (a) Agreements authorized under this section must be in writing and signed by the ~~delegating authority~~ commissioner and the designated agent.

(b) ~~The~~ An agreement under this section must list criteria that the ~~delegating authority~~ commissioner will use to determine if the designated agent's performance meets appropriate standards and is sufficient to replace performance by the ~~delegating authority~~ commissioner.

(c) ~~The~~ An agreement under this section may specify minimum staff requirements and qualifications, set procedures for the assessment of costs, and provide for termination procedures if the ~~delegating authority~~ commissioner determines that the designated agent has failed to comply with the agreement.

(d) A designated agent must operate according to the requirements of section 28A.06.

(e) By December 31, 2028, a designated agent that entered into an agreement to delegate the commissioner's duties to the designated agent before January 1, 2025, must comply with section 28A.06.

~~(d)~~ (f) The ~~delegating authority~~ commissioner and the designated agent are required to perform inspections utilizing the Minnesota Food Code's minimum and maximum standards.

~~(e)~~ (g) A designated agent must not perform licensing, inspection, reporting, or enforcement duties under ~~the~~ an agreement under this section in a territory outside its jurisdiction unless approved by the commissioner and governing body for that territory through a separate agreement.

(h) A designated agent may charge a fee to recover the estimated costs of performing duties according to terms of an agreement under this section if the duties involve enforcing the Minnesota Food Law and applicable Minnesota food rules. The fee charged by the designated agent must be fair, reasonable, and proportionate to the actual cost of the duties performed by the designated agent. A designated agent must only use a fee under this paragraph to cover the costs of performing duties according to terms of the agreement under this section.

~~(f)~~ (i) The scope of agreements established under this section is limited to duties and responsibilities agreed upon by the parties. The agreement may provide for automatic renewal and for notice of intent to terminate by either party.

~~(g)~~ (j) During the life of ~~the~~ an agreement under this section, the ~~delegating authority shall~~ commissioner must not perform duties that the designated agent is required to perform under the agreement, except inspections necessary to determine compliance with the agreement and this section or as agreed to by the parties.

~~(h)~~ (k) The ~~delegating authority shall~~ commissioner must consult with, advise, and assist a designated agent in the performance of its duties under the agreement.

~~(i)~~ (l) This section does not alter the responsibility of the ~~delegating authority~~ commissioner for the performance of duties specified by law and rule.

Sec. 35. Minnesota Statutes 2025 Supplement, section 28A.08, subdivision 3, is amended to read:

Subd. 3. **Fees effective August 1, 2025.**

Type of food handler	Risk Category	License Fee	Penalties Late Renewal	Penalties No License
1. Custom exempt food handler				
(a) Having $50,000 or less gross sales or service for the immediately previous license or fiscal year		$135	$45	$90
(b) Having $50,001 to $125,000 gross sales or service for the immediately previous license or fiscal year		$200	$67	$133
(c) Having $125,001 to $500,000 gross sales or service for the immediately previous license or fiscal year		$370	$123	$247
(d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year		$475	$158	$317
(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year		$1,350	$450	$900

(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year		$1,750	$583	$1,167
(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year		$2,150	$717	$1,433
(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year		$2,550	$849	$1,700
(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year		$2,950	$984	$1,967
(j) Having over $25,000,001 gross sales or service for the immediately previous license or fiscal year		$3,350	$1,117	$2,233
2. Food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than $30,000 for the immediately previous license or fiscal year and filing a statement with the commissioner		$90	$30	$60
(b) Having gross sales or service of less than $50,000 for the immediately previous license or fiscal year	High	$285	$95	$190
	Medium	$195	$65	$130
	Low	$135	$45	$90
(c) Having $50,001 to $125,000 gross sales or service for the immediately previous license or fiscal year	High	$350	$117	$233
	Medium	$260	$87	$173
	Low	$200	$67	$133
(d) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	High	$415	$138	$277
	Medium	$350	$117	$233
	Low	$265	$88	$177
(e) Having $250,001 to $500,000 gross sales or service for the immediately previous license or fiscal year	High	$520	$173	$347
	Medium	$430	$143	$287
	Low	$370	$123	$247
(f) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	High	$625	$208	$417
	Medium	$535	$178	$357
	Low	$475	$158	$317
(g) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	High	$1,500	$500	$1,000
	Medium	$1,425	$475	$950
	Low	$1,350	$450	$900
(h) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	High	$1,900	$633	$1,267
	Medium	$1,825	$608	$1,217
	Low	$1,750	$583	$1,167
(i) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	High	$2,300	$767	$1,533
	Medium	$2,225	$742	$1,483
	Low	$2,150	$717	$1,433

(j) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	High	$2,700	$900	$1,800
	Medium	$2,625	$875	$1,750
	Low	$2,550	$849	$1,700
(k) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	High	$3,100	$1,033	$2,067
	Medium	$3,025	$1,008	$2,017
	Low	$2,950	$984	$1,967
(l) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	High	$3,500	$1,167	$2,333
	Medium	$3,425	$1,142	$2,283
	Low	$3,350	$1,117	$2,233
(m) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	High	$4,000	$1,334	$2,667
	Medium	$3,925	$1,309	$2,617
	Low	$3,850	$1,284	$2,567
(n) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	High	$4,500	$1,500	$3,000
	Medium	$4,425	$1,475	$2,950
	Low	$4,350	$1,450	$2,900
3. Food handler operating under authority of this chapter solely as a special event food stand as defined in Minnesota Statutes, section 157.15		$75	~~$25~~	$50
4. Meat or poultry processing solely under supervision of the U.S. Department of Agriculture				
(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year		$190	$63	$127
(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year		$365	$122	$243
(c) Having $250,001 to $500,000 gross sales or service for the immediately previous license or fiscal year		$450	$150	$300
(d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year		$565	$188	$377
(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year		$725	$241	$483
(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year		$885	$295	$590
(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year		$1,305	$435	$807
(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year		$1,515	$505	$1,010

(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,745	$582	$1,163
(j) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	$1,975	$658	$1,317
(k) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	$2,215	$738	$1,477
(l) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	$2,465	$822	$1,643

Sec. 36. Minnesota Statutes 2024, section 29.21, is amended by adding a subdivision to read:

Subd. 12. **Quality assurance date.** "Quality assurance date" means any date after which the manufacturer or processor reasonably determines that the product may, by spoilage, wiltage, drying, or any other foreseeable and natural phenomenon, lose palatability or desired or nutritive properties.

Sec. 37. Minnesota Statutes 2024, section 29.26, is amended to read:

29.26 EGGS IN POSSESSION OF RETAILER.

(a) All eggs sold or offered for sale at retail must have been candled and graded and must be clearly labeled according to Minnesota consumer grades as established by rule under section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by any other name that does not clearly designate the grade. All eggs in possession of the retailer, either in temporary storage or on display, must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius).

(b) Grade AA eggs held 31 days past the coded pack date for Grade AA eggs, or Grade A eggs held 46 days past the coded pack date for Grade A eggs, lose their grades and must be removed from sale., except eggs that are past their quality assurance date may be donated to and distributed by charitable food assistance programs if the eggs:

(1) are contained in their original packaging;

(2) have previously been candled and graded;

(3) are continuously refrigerated;

(4) are distributed to the end consumer prior to 30 days past the original quality assurance date; and

(5) are contained in packaging affixed with a label that includes the following information:

(i) the name of the charitable food assistance program distributing the eggs;

(ii) a "distribute by" date of no more than 30 days past the original quality assurance date; and

(iii) the following statement: "Donated Eggs - Not for Resale."

Sec. 38. Minnesota Statutes 2024, section 32D.30, subdivision 5, is amended to read:

Subd. 5. **Reporting.** No later than ~~July 1~~ September 15 of each even-numbered year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan ~~during the fiscal year~~, the commissioner must notify the chairs and ranking minority members.

Sec. 39. Minnesota Statutes 2024, section 41A.19, is amended to read:

41A.19 REPORT; INCENTIVE PROGRAMS.

~~By January 15~~ Each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, 41A.18, and 41A.20 to the legislative committees with jurisdiction over environment and agriculture policy and finance in the report under section 41A.12, subdivision 3. The report shall include information on production and incentive expenditures under the programs.

Sec. 40. Minnesota Statutes 2024, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2027~~ 2032.

Sec. 41. **REPEALER.**

Minnesota Statutes 2024, sections 18K.02, subdivision 7; 18K.03, subdivision 2; and 28A.075, are repealed.

ARTICLE 6

ENVIRONMENT AND NATURAL RESOURCES

Section 1. Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended by Laws 2025, chapter 36, article 4, section 15, is amended to read:

Subd. 6. **Department of Administration**	17,040,000	14,105,000
(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.		

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) **Minnesota Public Radio**

$2,050,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(d) **Association of Minnesota Public Educational Radio Stations**

$2,050,000 the first year and $2,050,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(e) **Public Television**

$5,000,000 the first year and $4,500,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. Of the amount in the first year, $1,000,000 is for producing Minnesota military and veterans' history stories and unique immigrant stories from around the state.

(f) **Wilderness Inquiry**

$500,000 the first year and $600,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(g) **Como Park Zoo**

$1,725,000 each year is to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special

exhibits, music appreciation programs, and historical garden access and preservation.

(h) **Science Museum of Minnesota**

$825,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) **Appetite for Change**

$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) **Lake Superior Zoo**

$150,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(k) **Great Lakes Aquarium**

$250,000 each year is to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(l) **State Band**

$25,000 the first year and $25,000 the second year are to the Minnesota state band to provide free concerts throughout the state.

(m) **Veterans Memorial Park in Wyoming**

$100,000 the first year is for a grant to the city of Wyoming to build the Veterans Memorial Plaza and related interpretive walk in Railroad Park.

(n) **Great Northern Festival**

$75,000 the first year and $75,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) **Governor's Council on Developmental Disabilities**

$50,000 the first year is to the Minnesota Governor's Council on Developmental Disabilities to continue to preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) **Minnesota Council on Disability**

$125,000 the first year and $125,000 the second year are to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) **Keller Regional Park**

$500,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) **Vietnam War Anniversary**

$250,000 the first year is for a grant to the commissioner of veterans affairs to prepare and host a commemoration program for the 50th anniversary of the Vietnam War.

(s) **St. Paul Cultural Art Installation**

$500,000 the first year is for a grant to ~~Forecast Public Art for an~~ the city of St. Paul for a public art installation celebrating Olympic gold medalist Suni Lee. The project funded by this paragraph must be located in St. Paul at the Conway Recreation Center or, if that site is not practicable, at Lake Phalen at the platform containing the bust of Suni Lee. This appropriation is available until June 30, ~~2027~~ 2028.

(t) **One Heartland Center**

$50,000 each year is for a grant to One Heartland Center for programming and outdoor activities for families and youth in Minnesota.

(u) **Forest Lake Veterans Memorial**

$100,000 the first year is for a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake. This appropriation is available until June 30, 2027.

(v) **Hmong Plaza**

$450,000 the first year is for a grant to the city of St. Paul to construct the Hmong Plaza at Phalen Lake.

(w) **Camille Gage Artist Fellowship**

$55,000 the first year and $55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to $5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(x) **Minnesota African American Heritage Museum and Gallery**

$235,000 the first year and $125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, $110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

(y) **Tibetan American Foundation of Minnesota**

$25,000 the first year and $25,000 the second year are for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota.

(z) **Hong De Wu Guan**

$25,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth.

(aa) **Sepak Takraw of USA**

$50,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events.

(bb) **30,000 Feet**

$75,000 the first year and $75,000 the second year are for a grant to 30,000 Feet, a nonprofit organization, to help youth and community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts.

(cc) **Siengkane Lao Minnesota**

$50,000 the first year and $50,000 the second year are for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances.

(dd) **Hmong Cultural Center**

$150,000 the first year and $150,000 the second year are for a grant to the Hmong Cultural Center of Minnesota for museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(ee) **Comunidades Latinas Unidas En Servicio**

$250,000 the first year and $250,000 the second year are for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities.

(ff) **Hmong RPA Writing System**

$300,000 the first year and $300,000 the second year are for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. Grants must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events. This appropriation is available until June 30, 2028.

(gg) **Somali Museum of Minnesota**

$125,000 the first year and $125,000 the second year are for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota.

(hh) **Minnesota Museum of American Art**

$200,000 the first year and $200,000 the second year are for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum.

(ii) **Fanka Programs**

$250,000 the first year and $250,000 the second year are for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

(jj) **The Bakken Museum**

$150,000 the first year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(kk) **4-H Shooting Sports**

$50,000 the first year is to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

(ll) **Public Art Saint Paul**

$75,000 each year is for a grant to Public Art Saint Paul for art programming at the Wakpa Triennial Art Festival to showcase new art across the Twin Cities by Minnesota artists in outdoor and indoor settings and to encourage visitors to experience the arts and culture produced by local arts and culture organizations.

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

Sec. 2. Laws 2024, chapter 90, article 1, section 52, is amended to read:

Sec. 52. **EFFECTIVE DATE.**

(a) Sections ~~1 to 51~~ 4, 7, 10 to 12, 14 to 17, and 19 to 51, and the amendments to Minnesota Rules, parts 6100.5002, 6213.0100, 6213.0400, 6213.0500, 6232.0200, 6232.0300, 6232.0400, 6232.0500, 6232.0900, 6232.1250, 6232.1300, 6232.1600, 6232.1950, 6232.1970, 6232.1980, 6232.2550, 6232.2800, 6232.3100, 6232.4400, 6234.1600, 6234.1700, 6234.2000, 6234.2600, 6236.0300, 6236.0500, 6236.0950, 6237.0200, 6262.1000, 6262.3200, 6264.0400, and 6266.0700, and the repealer as adopted by the commissioner of natural resources and published in the State Register, volume 49, page 1416, June 30, 2025, are effective upon full implementation of the replacement electronic license, permits, and pass portions of the electronic license system.

(b) Sections 5, 6, 8, 9, 13, and 18 are effective upon full implementation of the vehicle registration portions of the electronic license system.

(c) The commissioner of natural resources must notify the revisor of statutes when the ~~replacement electronic license system is fully implemented.~~ portions of the replacement electronic licensing system governed by the sections and rule modifications described in paragraph (a) are fully implemented and when the portions of the replacement electronic licensing system governed by the sections described in paragraph (b) are fully implemented.

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

Sec. 3. **DELETION FROM STATE PARK.**

[85.012] [Subd. 42.] Mille Lacs Kathio State Park, Mille Lacs County. The following area is deleted from Mille Lacs Kathio State Park: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

Sec. 4. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; MILLE LACS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described

in paragraph (c) to a federally recognized Indian Tribe, subject to the state's reservation of access and dam easements over the land described in paragraph (c) if the state elects to reserve such easements.

(b) The land must not be sold for less than the appraised value. The buyer must reimburse the commissioner for all costs and expenses, including staff costs, incurred by the commissioner in making the property salable and in selling the property. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is all of or a portion of the land located in Mille Lacs County and described as: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

(d) The land to be sold borders on Mille Lacs Lake. The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a federally recognized Indian Tribe.

Sec. 5. **APPROPRIATION EXTENSIONS.**

Subdivision 1. **Parks and trails fund appropriation extensions.** (a) The availability of the grant to the St. Louis and Lake Counties Regional Railroad Authority for the Mesabi Trail project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(b) The availability of the grant to Olmsted County for the Oxbow Park and Zollman Zoo project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(c) The availability of the grant to Stearns County for the Kraemer Lake and Wildwood County Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(d) The availability of the grant to Redwood County for the Plum Creek Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(e) The availability of the grant to the city of Sandstone for the Robinson Quarry Park project from the parks and trails fund fiscal year 2025 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(f) The availability of the appropriation for coordination and projects between partners from the parks and trails fund in fiscal year 2024 under Laws 2023, chapter 40, article 3, section 3, paragraph (f), is extended to June 30, 2027.

Subd. 2. **Department of Natural Resources appropriation extensions.** (a) The appropriation in Laws 2024, chapter 116, article 1, section 3, subdivision 5, for an electronic licensing system is available until June 30, 2027.

(b) The appropriation in Laws 2023, chapter 60, article 1, section 3, subdivision 6, paragraph (h), for a grant to expand Minnesota's wild elk population and range is available until June 30, 2027.

Subd. 3. **Metropolitan Council appropriation extensions.** (a) The general fund appropriation in Laws 2024, chapter 116, article 1, section 5, for community tree-planting grants is available until June 30, 2027.

(b) The natural resources fund appropriation in Laws 2024, chapter 116, article 1, section 5, for grants to implementing agencies to plant trees is available until June 30, 2027.

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

Sec. 6. **APPROPRIATION; MINNESOTA ZOOLOGICAL BOARD.**

$3,800,000 in fiscal year 2026 is appropriated from the general fund to the Minnesota Zoological Board. This is a onetime appropriation.

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

Sec. 7. **APPROPRIATION; STUDY OF UNLAWFUL SHIPMENT OF INFECTIOUS OR PATHOLOGICAL WASTE.**

(a) By January 15, 2027, the commissioner of the Pollution Control Agency must submit a study to the chairs and ranking minority members of the senate and house of representatives committees and divisions with primary jurisdiction over environment and health and human services on the unlawful transportation of infectious or pathological waste to solid waste management facilities. The study must include:

(1) an assessment of the extent and frequency of unlawful transfer of infectious or pathological waste to solid waste management facilities and an assessment of the costs associated with those unlawful transfers;

(2) a survey of a representative sample of known generators of infectious and pathological waste regarding current practices for ensuring infectious and pathological waste is segregated from other waste material as required by Minnesota Statutes, section 116.78; and

(3) recommendations for legislative or policy changes that could be adopted to reduce the frequency and cost of unlawful transfers of infectious or pathological waste, including an estimate

of the costs to state agencies. In formulating these recommendations, the commissioner must consider whether the following measures might contribute to a reduction in unlawful transfers of infectious or pathological waste to solid waste management facilities:

(i) imposing fines on those who unlawfully transport infectious or pathological waste to solid waste management facilities; and

(ii) undertaking unannounced inspections of infectious or pathological waste generators.

(b) $75,000 in fiscal year 2027 is appropriated from the environmental fund to the commissioner of the Pollution Control Agency to conduct the study required by this section. This is a onetime appropriation.

Sec. 8. **TRANSFER; DEPARTMENT OF NATURAL RESOURCES.**

Upon request from the commissioner of natural resources, the commissioner of management and budget may transfer up to $1,600,000 in fiscal year 2026 from any Department of Natural Resources fiscal year 2024 or fiscal year 2025 general fund nongrant operating appropriations that were carried forward to fiscal year 2026 to the Division of Enforcement. This transfer may only be used for nonbudgeted public safety costs that occurred in fiscal year 2026. By September 15, 2026, the commissioner of natural resources must report the amount and source of the transfer authorized under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources.

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

ARTICLE 7

BATTERY STEWARDSHIP

Section 1. Minnesota Statutes 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 3b. **Battery.** "Battery" means one or more galvanic cells, including any structural members, casing, and terminals.

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

Sec. 2. Minnesota Statutes 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 10d. **Facilitate a sale.** "Facilitate a sale" means to assist a person in transferring title or possession of a product, regardless of whether title or possession is ever acquired by the person facilitating a sale, such as by operating an online marketplace, publishing an offer for sale on a website, physically storing inventory of products, entering into a contract to allow another person to list a product for sale, processing payment on behalf of another person, entering into a contract with a buyer or a seller related to a sale, or otherwise providing a sales process. Facilitate a sale does not include acting solely as:

(1) an advertiser;

(2) a payment processor; or

(3) a common carrier.

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

Sec. 3. **[115A.1331] STEWARDSHIP PROGRAM FOR COVERED BATTERIES; DEFINITIONS.**

(a) The terms used in sections 115A.1331 to 115A.1347 have the meanings given in this section and section 115A.03.

(b) "Battery-containing product" means a product:

(1) in which a covered battery is contained;

(2) to which a covered battery is attached; or

(3) with which a covered battery is packaged.

(c) "Brand" means a mark, a registered or unregistered trademark, a logo, a name, a symbol, a word, or an identifier that attributes a product to the owner or licensee of the brand.

(d) "Collection" means receipt of discarded covered batteries from a person, including sorting and storage that are necessary for receipt and that are performed by the covered battery collector. Collection does not include transport of a covered battery that occurs after a covered battery collector receives the covered battery, except for transport by the covered battery collector to or between a covered battery collection site or sites operated by the covered battery collector.

(e) "Covered battery" means a loose battery or a battery that is easily removable. A covered battery may be of any brand, type, or chemistry. A covered battery includes a covered small battery or covered medium battery. A covered battery does not include:

(1) a lead acid battery regulated under sections 325E.115 and 325E.1151;

(2) a battery designed, manufactured, and intended solely for use in a motor vehicle;

(3) a battery contained within a medical device, as specified in United States Code, title 21, section 321(h), as it existed as of the effective date of this section, that is not designed and marketed for sale or resale principally to consumers for personal use;

(4) a battery removed from a permanent, stationary, energy storage system that requires installation and removal by an electrician licensed under chapter 326B;

(5) a battery transported into the state after the battery is collected in another state; or

(6) a battery subject to recall for safety reasons.

(f) "Covered battery collection site" means a physical location where a covered battery collector collects covered batteries from other persons, regardless of whether the covered battery collector operates the location permanently, temporarily, or for purposes of a collection event.

(g) "Covered battery collector" means a person that collects covered batteries on behalf of and under agreement with a covered battery stewardship organization and receives reimbursement at the rates determined according to section 115A.1335 from a covered battery stewardship organization for the covered battery collector's costs for collection of the covered batteries.

(h) "Covered battery producer" means the following person responsible for compliance with requirements under sections 115A.1331 to 115A.1347 for a covered battery sold, including online sales, offered for sale or promotional purposes, or distributed in or into the state:

(1) for a covered battery:

(i) if the covered battery is sold, offered, or distributed under a brand owned by the person that manufactured the covered battery, the producer is the person that manufactured the covered battery;

(ii) if the covered battery is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the covered battery, the producer is the person that owned the brand;

(iii) if the covered battery is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the covered battery is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the covered battery into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the covered battery in or into the state;

(2) for a covered battery contained in, attached to, or packaged with a battery-containing product:

(i) if the battery-containing product is sold, offered, or distributed under a brand owned by the person that manufactured it, the producer is the person that manufactured the battery-containing product;

(ii) if the battery-containing product is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the battery-containing product, the producer is the person that owned the brand;

(iii) if the battery-containing product is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the battery-containing product is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the battery-containing product into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the battery-containing product in or into the state;

(3) notwithstanding clause (2), a producer does not include any person that manufactured, imported into the United States, or sold, offered, or distributed in or into the state a battery-containing product if the producer of the only covered batteries contained in, attached to, or packaged with the battery-containing product is named as a participant by a covered battery stewardship organization and both the person and the participant acknowledge such in writing to the covered battery stewardship organization; and

(4) notwithstanding clauses (1) and (2), a person that voluntarily assumes the responsibility of a producer of a covered battery and certifies that they have assumed the responsibility of a producer in writing to the commissioner is the producer of the covered battery.

(i) "Covered battery stewardship organization" means an organization that contracts with one or more covered battery producers to meet the producers' obligations under sections 115A.1331 to 115A.1347.

(j) "Covered battery stewardship plan" or "stewardship plan" means a plan that is prepared according to section 115A.1335 and submitted to the commissioner by a covered battery stewardship organization.

(k) "Covered battery stewardship program" means a system implemented by a covered battery stewardship organization to manage all covered batteries offered to a covered battery collector by arranging and paying for the collection, covered services, and all other activities described in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a).

(l) "Covered medium battery" means a covered battery that weighs more than 11 pounds but equal to or less than 25 pounds or has an energy capacity greater than 300 watt-hours but equal to or less than 2,000 watt-hours.

(m) "Covered medium battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (b), and (d).

(n) "Covered services" means transportation, processing, recycling, and disposal of covered batteries and residual materials after collection. Covered services does not include:

(1) repair or reuse of a covered battery by the collector; or

(2) transport of a covered battery by the covered battery collector that collected it to or between a covered battery collection site or sites that are operated by the covered battery collector.

(o) "Covered small battery" means a covered battery that weighs 11 pounds or less and has an energy capacity of 300 watt-hours or less.

(p) "Covered small battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (c), and (d).

(q) "Distribute" means to sell, offer, supply, ship, transport, or deliver a product to a person that sells, offers, supplies, ships, transports, or delivers the product in or into the state, regardless of whether title to the product is ever acquired by a person distributing the product.

(r) "Easily removable" or "easily removed" means that a battery can be removed by a single person from a product by hand or by hand and the use of only:

(1) a flathead, crosshead, or Phillips screwdriver;

(2) a paper clip;

(3) a coin; or

(4) a hex key.

(s) "Household hazardous waste management program" means a program established under section 115A.96 to collect and manage household hazardous waste, as defined in section 115A.96, that is established or operated by the agency or another public entity, including but not limited to a political subdivision, state agency, or federally recognized Tribe.

(t) "Independent auditor" means a certified public accountant that:

(1) holds a current active license under chapter 326A and rules adopted thereunder;

(2) is retained by a covered battery stewardship organization;

(3) is not otherwise employed by or affiliated with the commissioner or a covered battery stewardship organization; and

(4) is qualified to conduct an audit under section 115A.1337, subdivision 6, clause (8).

(u) "Loose battery" means a battery that is not contained in or attached to a product. A loose battery does not include a battery that is contained in an enclosure when the enclosure is not integral to the operation of the battery.

(v) "Motor vehicle" has the meaning given in section 168.002.

(w) "Participant" means a covered battery producer that is named by a covered battery stewardship organization as meeting the covered battery producer's obligations under sections 115A.1331 to 115A.1347. If one covered battery producer is named as a participant by voluntarily assuming responsibility for a covered battery on behalf of other covered battery producers under paragraph (h), clause (4), then all those covered battery producers are also participants.

(x) "Rechargeable battery" means a battery that is designed and intended to have electrical energy added to it by electrical or physical means after use.

(y) "Residual material" means material and waste resulting from processing, recycling, or disposal of a covered battery.

(z) "Responsible market" means a market for covered batteries, for reclaimed materials from collected covered batteries, or for any other recyclable residual material from collected covered batteries that:

(1) reuses, recycles, or otherwise recovers materials and disposes of contaminants in a manner that protects the environment and minimizes risks to public health and worker health and safety;

(2) complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(3) possesses all licenses and permits required by a federal or state agency or political subdivision;

(4) if operating in the state, recycles batteries to the maximum extent practicable in accordance with section 115A.02, paragraph (b); and

(5) minimizes adverse impacts to environmental justice areas.

(aa) "Specialized covered battery recycler" means a person that, if and as applicable, is properly authorized by the commissioner or, if operating in another state or country, an equivalent state, federal, or other governmental body, to process or recycle useful materials from covered batteries.

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

Sec. 4. **[115A.1335] COVERED BATTERY STEWARDSHIP PLAN AND BUDGET.**

Subdivision 1. **Due dates.** (a) By July 1, 2027:

(1) a covered battery producer must contract with a covered battery stewardship organization to act on the covered battery producer's behalf for purposes of complying with the producer's obligations under sections 115A.1331 to 115A.1347; and

(2) a covered battery stewardship organization must:

(i) notify the commissioner that it has been designated by covered battery producers to act on their behalf; and

(ii) provide to the commissioner its identity and contact information.

(b) By January 1, 2029, a covered battery stewardship organization must submit to the commissioner a covered battery stewardship plan that meets all requirements of subdivision 2 for review under subdivision 4.

Subd. 2. **Plan content; budget requirement.** (a) A covered battery stewardship plan must include:

(1) identification of and contact information for the covered battery stewardship organization;

(2) a description and example of contracts, including a list of all parties to the contracts, that must:

(i) clearly grant the covered battery stewardship organization the authority to act on behalf of the participants that the covered battery stewardship organization represents to implement the covered battery stewardship plan;

(ii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to comply with the approved covered battery stewardship plan; and

(iii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to fund the covered battery stewardship organization as necessary to implement the covered battery stewardship plan, pay for associated costs, and pay for fees and penalties assessed by the commissioner;

(3) identification of and contact information for all participants in the covered battery stewardship program;

(4) identification of and contact information for each covered battery collector or prospective covered battery collector that has agreed to operate covered battery collection sites to collect covered batteries on behalf of the covered battery stewardship organization and documentation of such agreements. A covered battery collection site may only be included in one covered battery stewardship plan at a time;

(5) identification of and contact information for each person providing covered services and the location of all facilities where covered services will be provided;

(6) identification and contact information for those persons that the covered battery stewardship organization has contracted with and that will administer and implement the covered battery stewardship program in accordance with section 115A.1337, subdivision 7. The relationship of the other persons to the covered battery stewardship organization and their role in administering and implementing the covered battery stewardship program must be described;

(7) the address, county of location, and, in a form prescribed by the commissioner, geolocation data for each covered battery collection site to be served through the covered battery stewardship organization under the covered battery stewardship program and identification of those covered battery collection sites that are operated by a household hazardous waste management program;

(8) a list of the brands covered under the covered battery stewardship program;

(9) eligibility criteria for prospective covered battery collectors;

(10) a description of how the covered battery stewardship program will provide convenient, statewide collection according to subdivision 3 without collection of covered batteries performed by collection sites on behalf of another covered battery stewardship organization;

(11) a description of how the covered battery stewardship organization will annually monitor and ensure continuing compliance with the convenience standards under subdivision 3;

(12) a description of how the covered battery stewardship organization will ensure each covered battery collector is provided with the materials specified in section 115A.1337, subdivision 1;

(13) a description of how covered battery collection sites will be accessible according to section 115A.1337, subdivision 2;

(14) the performance standards for persons providing covered services for the covered battery stewardship organization and the oversight methods by which the covered battery stewardship

organization will ensure continuing compliance with the performance standards. The covered battery stewardship organization may determine performance standards, which at a minimum must:

(i) accord with clauses (17) to (20), (22), (23), and (36);

(ii) ensure that covered services other than transportation are provided only by specialized covered battery recyclers; and

(iii) ensure covered batteries and residual materials are managed through responsible markets;

(15) a description of the oversight methods by which the covered battery stewardship organization will ensure continuing compliance with the performance standards under clause (14);

(16) a description of how the covered battery stewardship organization will ensure that there are multiple persons providing covered services to ensure resiliency in the system;

(17) a description of methods by which the covered battery stewardship organization will ensure that discarded covered batteries and residual materials managed under the covered battery stewardship program are managed while in the state in compliance with rules adopted under section 116.07 for managing solid waste and hazardous waste, when applicable, and, when outside the state, with all applicable legal requirements for managing solid waste and hazardous waste, as applicable;

(18) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (17) by any person handling covered batteries under the covered battery stewardship program;

(19) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed in compliance with safety and health requirements for employees administered by the Department of Labor and Industry and with fire protection requirements administered by the Department of Public Safety while in the state and, when outside the state, with all applicable federal, state, and local employee safety and health requirements and fire protection requirements;

(20) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (19) by any person handling covered batteries under the covered battery stewardship program;

(21) a description of how the covered battery stewardship organization will ensure sufficient and timely pickup and transport of covered batteries are provided to each covered battery collection site so that the covered battery collection site can continuously and safely collect and store covered batteries;

(22) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are transported in compliance with applicable regulations incorporated by reference under section 221.033 for transporting hazardous materials while in the state and, when outside the state, with all applicable legal requirements for transporting hazardous materials;

(23) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (22) by any person handling covered batteries under the covered battery stewardship program;

(24) a statement of indemnification by the covered battery stewardship organization to covered battery collectors for potential liability for improper downstream management of covered batteries or residual materials by providers of covered services arranged for by the covered battery stewardship organization and identified in the covered battery stewardship plan under clause (5);

(25) a description of how the covered battery stewardship organization will determine and annually report the quantity of covered batteries collected under the covered battery stewardship program by chemistry by weight;

(26) a description of the outreach and education methods and activities that the covered battery stewardship organization will ensure are provided according to section 115A.1337, subdivision 4;

(27) a description of how the covered battery stewardship organization will ensure that there is at least one full-time representative of the covered battery stewardship organization who is dedicated to implementing the covered battery stewardship program in this state and serves as the primary contact between the covered battery stewardship organization and the agency;

(28) the proposed reimbursement rates for covered battery collectors that are household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all costs of collection incurred by the covered battery collectors, which include but are not limited to:

(A) labor, overhead, and supplies;

(B) necessary collection and storage;

(C) employee training; and

(D) necessary safety materials;

(ii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iii) necessary safety materials described in item (i), subitem (D), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(iv) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are household hazardous waste management programs;

(29) the proposed reimbursement rates for covered battery collectors that are not household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all of the following costs of collection incurred by the covered battery collectors:

(A) necessary collection and storage;

(B) supplies;

(C) employee training; and

(D) necessary safety materials;

(ii) the proposed reimbursement rates may, on agreement with the covered battery collectors, cover costs of collection in addition to those described in item (i);

(iii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iv) necessary safety materials described in item (i), subitem (C), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(v) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are not household hazardous waste management programs;

(30) documentation that the covered battery collectors and prospective covered battery collectors identified in clause (4) have agreed to the proposed reimbursement rates in clauses (28) and (29);

(31) documentation that the number of covered battery collection sites identified in clause (7) to be operated by the covered battery collectors identified in clause (4) are sufficient to ensure that the covered battery stewardship organization will comply with the convenience standards of subdivision 3;

(32) a description of the system by which the covered battery stewardship organization will provide advance payment or reimbursement to covered battery collectors in a manner that provides:

(i) periodic automatic payment of reimbursements at least annually; or

(ii) a process for submitting reimbursement requests and reasonable timelines for reimbursement, at intervals no longer than monthly unless otherwise agreed to by the covered battery collector;

(33) a description of the system by which the covered battery stewardship organization will pay persons providing covered services in a manner that provides:

(i) a clear process for submitting invoices; and

(ii) reasonable timelines for payment, at intervals agreed to by the person providing covered services;

(34) a description of how the covered battery stewardship program costs will be allocated among participants, either individually or among groups of participants identified by the covered battery stewardship organization, such that the costs of managing covered batteries are allocated equitably. As part of this description, a clear assignment of responsibility for costs of managing covered batteries subject to a voluntary or mandatory recall to the participant or participants associated with those covered batteries and not other participants must be included;

(35) a description of how the covered battery stewardship organization will comply with subdivision 6, paragraph (b);

(36) a description of how the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed to the maximum extent practicable in accordance with section 115A.02, paragraph (b);

(37) a description of how the covered battery stewardship organization will take actions within its purview and provide feedback for covered battery producers to enable improvements in product design and material use, technology, and personnel training that could raise the future maximum extent practicable for management described in clause (36), including consideration of covered battery reuse, repair, and product life cycle;

(38) a description of how the covered battery stewardship organization will annually report to the commissioner, by chemistry by weight, the end management through recycling or disposal of covered batteries for which the covered battery stewardship program was responsible during each calendar year; and

(39) a description of how the covered battery stewardship organization will take action to decrease the incidence of covered batteries in solid waste in the state, including providing collection opportunities under section 115A.1337, subdivision 2, paragraph (b).

(b) By January 1, 2029, and annually thereafter, a covered battery stewardship organization must submit an anticipated annual budget for the covered battery stewardship program for that calendar year, broken down into the covered battery stewardship program's estimated costs for administration, collection, sorting after collection, storage after collection, transportation after collection, processing, recycling, disposal, and communication, including the cost of fees under section 115A.1339. The budget is not subject to review and approval under subdivisions 4 and 5.

Subd. 3. **Convenience standards.** (a) A covered battery stewardship plan must provide convenient, statewide collection for all covered batteries that are offered to covered battery collectors by a person in the state, regardless of:

(1) a covered battery's type, physical size, energy capacity, or chemistry;

(2) a covered battery's brand; or

(3) the producer of a covered battery.

(b) A covered battery stewardship plan submitted by a covered battery stewardship organization must independently meet the convenience standards in paragraphs (c) to (d) without cost sharing, collaboration, or consideration of activities of another covered battery stewardship organization.

(c) For covered small batteries, a covered battery stewardship organization must:

(1) in each county with a population of 10,000 or less, maintain at least two covered small battery collection sites;

(2) in each county with a population greater than 10,000 but less than or equal to 100,000, maintain at least two covered small battery collection sites and at least one additional covered small battery collection site for each additional 10,000 in population above a population of 10,000;

(3) in each county with a population greater than 100,000, maintain at least 11 covered small battery collection sites and at least one additional covered small battery collection site for each additional 50,000 in population above a population of 100,000; and

(4) maintain a covered small battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(d) For covered medium batteries, a covered battery stewardship organization must:

(1) in each county with a population of 100,000 or less, maintain at least one covered medium battery collection site;

(2) in each county with a population greater than 100,000, maintain at least two covered medium battery collection sites and at least one additional covered medium battery collection site for each additional 100,000 in population above a population of 100,000; and

(3) maintain a covered medium battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(e) When demonstrating compliance with paragraphs (c) and (d), a covered battery stewardship organization may count a covered medium battery collection site as a covered small battery collection site.

(f) A covered battery stewardship organization must ensure no net loss in estimated collection convenience and capacity for covered batteries from the program in place on January 1, 2026.

(g) Upon a showing by a covered battery stewardship organization that meeting the convenience standard of paragraph (c) or (d), for a specific county or development region would cause undue hardship to the covered battery stewardship organization, the commissioner may approve an alternative convenience standard if the proposed alternative convenience standard would reasonably result in equivalent covered battery collection convenience.

Subd. 4. **Review of covered battery stewardship plan; implementation.** (a) Within 120 days after receiving a complete covered battery stewardship plan submitted under this section, the commissioner must determine whether the stewardship plan complies with this section and will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable. The commissioner must provide a written notice of determination according to this subdivision.

(b) In conducting a review of a covered battery stewardship plan, the commissioner may consult with interested parties.

(c) For at least 30 days before approving a covered battery stewardship plan, the commissioner must place the stewardship plan on the agency's publicly accessible website for public review and comment.

(d) If the commissioner determines that a covered battery stewardship plan fails to comply with this section or will not ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must reject the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization describing the reasons for the rejection.

(e) After any consultation under paragraph (b) and review of public comments received under paragraph (c), if the commissioner determines that a covered battery stewardship plan complies with this section and will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must approve the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization and must publish the approved covered battery stewardship plan on the agency's publicly accessible website within 30 days after approval.

(f) The covered battery stewardship organization must implement the covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are approved by the commissioner according to subdivision 5, within 60 days after receiving written notice of approval.

(g) For each covered battery stewardship plan or amendment submitted to the commissioner for review, the commissioner may consider the data submitted according to section 115A.1337, subdivision 6, and other relevant information to establish requirements to improve the effectiveness, performance, and awareness of the covered battery stewardship program.

Subd. 5. **Amending or terminating a covered battery stewardship plan.** (a) A covered battery stewardship organization may amend a covered battery stewardship plan approved under subdivision 4 without review or approval by the commissioner to make the changes specified in clauses (1) to (3). Within 30 days after adopting an amendment under this paragraph, a covered battery stewardship organization must report the amendment to the commissioner and the commissioner must publish the amended stewardship plan on the agency's publicly accessible website. A covered battery stewardship organization must implement amendments made to a stewardship plan under this paragraph within 60 days after adopting the amendment. A covered battery stewardship organization may:

(1) add; terminate, when authorized under section 115A.1337, subdivision 1, if applicable; or replace a covered battery collector, collection site, person providing covered services, or facility where covered services will be performed;

(2) add or remove participants or brands covered under a covered battery stewardship plan; or

(3) change contact staff or contact staff information for a covered battery stewardship organization, participants, covered battery collectors, or persons providing covered services.

(b) Except for an amendment under paragraph (a), a covered battery stewardship plan containing any amendment must be submitted to and reviewed and approved by the commissioner before it

may be implemented by a covered battery stewardship organization. The commissioner must review and approve or reject the covered battery stewardship plan containing the proposed amendment according to subdivision 4.

(c) A covered battery stewardship organization must submit an amended covered battery stewardship plan for review:

(1) at least every five years according to this subdivision and subdivision 4; or

(2) within 60 days if the commissioner determines that an amended stewardship plan is necessary to implement sections 115A.1331 to 115A.1347.

(d) A covered battery stewardship organization may terminate a covered battery stewardship plan only:

(1) by providing at least 90 days' written notice to the commissioner and to all covered battery stewardship organizations and participants in the covered battery stewardship program; and

(2) after a replacement covered battery stewardship plan submitted by the covered battery stewardship organization or a new covered battery stewardship organization is approved by the commissioner under subdivision 4.

(e) The commissioner may terminate a covered battery stewardship plan for good cause, as defined in paragraph (f). If the commissioner terminates a covered battery stewardship plan, the commissioner must provide the covered battery stewardship organization with written notice of termination describing the good cause for termination. The commissioner must also notify all participants in the covered battery stewardship program in writing of the termination, using the contact information for the participants provided in the covered battery stewardship plan.

(f) For purposes of paragraph (e), "good cause" includes but is not limited to:

(1) failure by a covered battery stewardship organization to:

(i) fully and accurately disclose required or requested information to the commissioner;

(ii) comply with the terms of sections 115A.1331 to 115A.1347; or

(iii) pay fees or penalties owed to the commissioner or comply with an order lawfully issued by the commissioner; and

(2) a finding that a covered battery stewardship organization's activities endanger human health or the environment and the danger cannot reasonably be removed by an amendment to a covered battery stewardship plan.

Subd. 6. **Compliance.** (a) A covered battery stewardship organization must comply with a covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are made according to subdivision 5, paragraph (a) or (b). A covered battery stewardship organization must ensure that all participants, covered battery collectors, and persons providing covered services acting on behalf of the covered battery stewardship organization also

comply with the stewardship plan and are responsible to the covered battery stewardship organization and to the commissioner for compliance.

(b) A covered battery stewardship organization must ensure that covered battery collectors are reimbursed according to the reimbursement rates approved by the commissioner according to this section and the system described in a covered battery stewardship plan.

(c) A covered battery stewardship organization must ensure that all costs of a covered battery stewardship program as specified in sections 115A.1331 to 115A.1347 are fully paid for by participants. All costs of a covered battery stewardship program must be allocated fairly between groups of participants without any fee, charge, surcharge, or any other cost to:

(1) any member of the public;

(2) any business other than a covered battery producer;

(3) any covered battery collector;

(4) any person providing covered services;

(5) the state or any political subdivision; or

(6) any other person that is not a covered battery producer.

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

Sec. 5. **[115A.1337] COVERED BATTERY STEWARDSHIP ORGANIZATION; DUTIES AND STRUCTURE.**

Subdivision 1. **Duties to covered battery collectors.** (a) A covered battery stewardship organization must ensure that the following are provided to each covered battery collector:

(1) reimbursement at the rates determined according to section 115A.1335 and the system described in a covered battery stewardship plan;

(2) pickup and transport of collected covered batteries from each covered battery collection site in sufficient time and quantity to allow a covered battery collector to safely receive covered batteries without interruption or cost to the covered battery collector;

(3) appropriate containers for storage and transportation of covered batteries and supplies necessary for the collection of covered batteries;

(4) signage to identify collection sites and the covered batteries accepted at the collection sites;

(5) training for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries; and

(6) educational materials that address the information described in subdivision 4, paragraph (a), clause (3), for distribution to members of the public and businesses in Minnesota. The educational

materials must be made available in English and at least the three languages most commonly spoken at homes in the state other than English, according to the state demographer.

(b) A covered battery stewardship organizations must consider the request of a covered battery collector to perform covered services if the covered battery collector meets the performance standards in a covered battery stewardship plan under section 115A.1335, subdivision 2, paragraph (a), clause (14), and the covered battery collector and the covered battery stewardship organization agree after negotiation in good faith on the fees to be paid to the covered battery collector for performing the covered services. A covered battery stewardship plan must identify the covered battery collector as providing covered services according to section 115A.1335, subdivision 2, paragraph (a), clause (5).

(c) A covered battery stewardship organizations must allow the following persons to serve as a covered battery collector:

(1) a person that agrees to operate or continues to operate a covered battery collection site in compliance with:

(i) section 115A.1341, subdivision 1, paragraphs (a) and (d);

(ii) section 115A.1341, subdivision 1, paragraph (b) or (c), as applicable;

(iii) the conditions in section 115A.1335, subdivision 2, paragraph (a), clauses (17) to (20), (22), and (23); and

(iv) any other applicable provisions of a covered battery stewardship plan in section 115A.1335; and

(2) a household hazardous waste management program.

(d) A covered battery stewardship organization may not require a person that sells, offers for sale or promotional purposes, distributes, or facilitates a sale of a covered battery or battery-containing product in or into the state to be a covered battery collector or operate a covered battery collection site.

(e) A covered battery stewardship organization may terminate a covered battery collector, except a household hazardous waste management program, and cease payment to the covered battery collector for good cause. Good cause under this paragraph does not include accepting a battery subject to recall. A covered battery stewardship organization may suspend a covered battery collector that is a household hazardous waste management program and cease payment to the covered battery collector for good cause with the approval of the commissioner, until the commissioner determines that the household hazardous waste management program is compliant with sections 115A.1331 to 115A.1347.

Subd. 2. **Accessibility.** (a) A covered battery stewardship program must provide convenient, equitable, and accessible service to all persons in Minnesota, including but not limited to people of color; Minnesota Tribal governments as defined in section 10.65, subdivision 2; those that are non-English speaking; immigrant and refugee communities; those with limited access to transportation; and those in environmental justice areas.

(b) A covered battery stewardship program must include collection opportunities beyond those required under section 115A.1335, subdivision 3, to better serve populations under paragraph (a).

(c) Where feasible, a covered battery stewardship program must encourage establishing covered battery collection sites in proximity to local public transit.

Subd. 3. **Oversight.** A covered battery stewardship organization must ensure that covered batteries and residual materials managed under a covered battery stewardship program are managed according to the performance standards in section 115A.1335, subdivision 2, paragraph (a), clause (14), by all persons providing covered services.

Subd. 4. **Program effectiveness.** (a) To support the effectiveness of a covered battery stewardship program, a covered battery stewardship organization must provide outreach and education to:

(1) persons that might sell, offer for sale or promotional purposes, distribute, or facilitate a sale of covered batteries in or into the state, to inform them of the requirements of section 115A.1347, subdivision 2;

(2) potential covered battery collectors and persons that are collecting covered batteries before the effective date of this section to inform them how to request coverage by a covered battery stewardship program; and

(3) members of the public to raise awareness of:

(i) public health and safety and environmental risks caused by improperly charging, storing, and disposing of covered batteries;

(ii) the need to safely charge and store covered batteries;

(iii) the benefits of recycling covered batteries in contrast to disposal; and

(iv) the existence of a covered battery stewardship program and the ability to manage covered batteries at no cost, including the location and convenience of covered battery collection sites in the state.

(b) A covered battery stewardship organization must maintain a publicly accessible website to locate covered battery collection sites through map-based and text-based searches.

(c) The commissioner may determine the effectiveness of a covered battery stewardship program using information from waste composition studies under section 115A.412 and other information available to the commissioner. The commissioner may require a covered battery stewardship organization to submit for approval proposals that when implemented would decrease the incidence of covered batteries in solid waste in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (39). A covered battery stewardship organization must implement a proposal that is approved by the commissioner.

Subd. 5. **Stakeholder consultation.** (a) A covered battery stewardship organization must regularly consult with stakeholders associated with covered batteries. If there is more than one covered battery stewardship organization, each covered battery stewardship organization must jointly

fulfill the requirements of this subdivision. At least one consultation meeting must occur before a covered battery stewardship plan is submitted to the commissioner.

(b) A consultation meeting is to:

(1) assist with drafting and continuous review of a covered battery stewardship organization's outreach and education activities, including but not limited to signage and educational materials; and

(2) make recommendations to a covered battery stewardship organization and the commissioner to continuously improve the effectiveness of the outreach and education activities and maximize participation in a covered battery stewardship program.

(c) A meeting must include representatives of stakeholders of a covered battery stewardship program, including but not limited to the commissioner, household hazardous waste management programs, covered battery collectors that are not household waste management programs, persons providing or that might provide covered services, producers, and other persons providing statewide representation.

Subd. 6. **Reporting.** By June 1 each year after a covered battery stewardship plan is approved under section 115A.1335, subdivision 4, a covered battery stewardship organization must report to the commissioner, in a form and manner prescribed by the commissioner, on the covered battery stewardship organization's activities during the preceding calendar year. A report must include:

(1) the address, county of location, and geolocation data for each covered battery collection site served by the covered battery stewardship program during the preceding calendar year;

(2) the chemistry by weight of covered batteries collected during each calendar year, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (25);

(3) a description by chemistry by weight of the end management through recycling or disposal of the covered batteries shipped from covered battery collection sites under the covered battery stewardship program, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (38);

(4) the method or methods of verification used by the covered battery stewardship organization to ensure that the description in clause (3) accurately reflects the actual end management of the covered batteries;

(5) the effectiveness of the covered battery stewardship organization's efforts to decrease the incidence of covered batteries in solid waste in the state, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (39);

(6) a summary of the results of the oversight according to section 115A.1335, subdivision 2, paragraph (a), clause (14);

(7) a description of outreach and education activities provided by the covered battery stewardship organization during the preceding calendar year according to subdivision 4;

(8) a financial report on the covered battery stewardship program, including actual costs and funding compared to the budget for the year submitted under section 115A.1335, subdivision 2, paragraph (b). The financial report must include an audit report of the covered battery stewardship program, including the covered battery stewardship organization and any additional covered battery stewardship organizations, by an independent auditor. The independent auditor may be selected by the covered battery stewardship organization and may be rejected by the commissioner for good cause. If the commissioner rejects an independent auditor, the covered battery stewardship organization must select a different independent auditor, which may be rejected by the commissioner for good cause;

(9) the proposed and actual budget for the period covered by the report; and

(10) starting in the second year after the covered battery stewardship organization's first covered battery stewardship plan is approved by the commissioner, and then every third year thereafter, a performance audit of the covered battery stewardship program. The performance audit must conform to audit standards established by the United States Government Accountability Office; the National Association of State Auditors, Comptrollers and Treasurers; or another nationally recognized organization approved by the commissioner.

Subd. 7. **Organization of a covered battery stewardship organization.** (a) A covered battery stewardship organization must comply with section 5.36.

(b) A covered battery stewardship organization may contract with any persons to implement or administer a portion or portions of a covered battery stewardship plan or to coordinate with a group or groups of participants.

(c) A contract established under paragraph (b) must be described under section 115A.1335, subdivision 2, paragraph (a), clause (6).

(d) Notwithstanding any contract established under paragraph (b), a covered battery stewardship organization must:

(1) submit a covered battery stewardship plan to the commissioner meeting the requirements of sections 115A.1331 to 115A.1347;

(2) submit a report to the commissioner according to subdivision 6 meeting the requirements of sections 115A.1331 to 115A.1347;

(3) serve as the single point of contact for reporting, reimbursement, and payment to the agency; and

(4) maintain all responsibility and liability for compliance with all other requirements of sections 115A.1331 to 115A.1347 applicable to a covered battery stewardship organization.

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

Sec. 6. **[115A.1339] FEES.**

Subdivision 1. **Administrative fees.** (a) By October 1, 2027, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 from July 1, 2026, to June 30, 2027.

(b) By December 1, 2027, the commissioner must assess an administrative fee and equally split the fee among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (a). A covered battery stewardship organization must pay the assessed administrative fee by the due date set by the commissioner.

(c) By April 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of July through December of the preceding calendar year. By October 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of January through June of that calendar year.

(d) Notwithstanding section 16A.1283, the commissioner must semiannually assess the annual administrative fees and equally split the fees among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (c). A covered battery stewardship organization must pay the assessed administrative fees by the due dates set by the commissioner.

(e) All agency costs calculated under this subdivision may be recovered in a civil action brought by the attorney general against any person that may be liable under this subdivision or any other law. Any costs that are recovered by the attorney general, including any award of attorney fees, must be deposited in the covered battery stewardship account in the special revenue fund.

Subd. 2. **Disposition of fees.** The total amount of net fees collected under this section must not exceed the amount necessary to reimburse agency costs as calculated under subdivision 1. All fees received under subdivision 1 must be deposited in the state treasury and credited to a covered battery stewardship account in the special revenue fund. The amount collected under this section is annually appropriated to the commissioner to implement and enforce sections 115A.1331 to 115A.1347.

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

Sec. 7. **[115A.1341] COVERED BATTERY COLLECTOR DUTIES.**

Subdivision 1. **Accepting covered batteries.** (a) A covered battery collector must accept covered batteries of any brand, type, or chemistry without imposing a fee, charge, surcharge, or other cost to any person other than a covered battery stewardship organization.

(b) At a covered medium battery collection site, a covered battery collector must accept from any person daily at least:

(1) ten covered small batteries; and

(2) four covered medium batteries.

(c) At a covered small battery collection site, a covered battery collector must accept from any person daily at least ten covered small batteries.

(d) A covered battery collection site must be open to receiving covered batteries at least 12 operating hours per week, 50 weeks each calendar year.

(e) A household hazardous waste management program may accept covered batteries at any covered battery collection site that the program operates.

(f) A covered battery stewardship organization may count a covered battery collection site when demonstrating compliance with the convenience standards under section 115A.1335, subdivision 3, only if the covered battery collection site complies with paragraph (b) or (c).

Subd. 2. **Storing accepted covered batteries.** A covered battery collector must manage and store all accepted covered batteries safely and in compliance with all applicable federal, state, and local laws, including but not limited to applicable rules adopted under section 116.07 for managing solid waste and hazardous waste.

Subd. 3. **Training.** A covered battery collector must ensure and document that training is provided for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries. A covered battery collector may provide the training or may receive training through a covered battery stewardship organization.

Subd. 4. **Record keeping.** (a) A covered battery collector must maintain records as specified in this paragraph for at least three years and make the records available to the commissioner for inspection. The records must include the chemistry by weight of covered batteries and any additional information required by the commissioner. The records must document for each calendar year the covered batteries:

(1) accepted at a covered battery collection site; and

(2) shipped from a covered battery collection site.

(b) A covered battery collector must maintain documentation of each employee's training related to covered batteries starting on the date of training and for at least three years following the last day that the employee worked for the covered battery collector.

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

Sec. 8. **[115A.1345] OTHER AUTHORITIES AND DUTIES.**

Subdivision 1. **Limited private right of action against producers.** (a) Except as provided in paragraph (d), a covered battery stewardship organization may maintain a civil action against one or more covered battery producers to recover a portion of the covered battery stewardship organization's costs and additional amounts according to this subdivision.

(b) Damages recoverable under this subdivision may not exceed a fair share of the actual costs incurred by the plaintiff covered battery stewardship organization under sections 115A.1331 to 115A.1347; of managing covered batteries of other covered battery producers that were not

participants; or that should otherwise have been due to the covered battery stewardship organization. Additional amounts recoverable under this subdivision include an award of reasonable attorney fees and costs. If a defendant covered battery producer did not participate in a covered battery stewardship program during the period when covered batteries of the defendant were managed by the plaintiff covered battery stewardship organization, a punitive sum of up to three times the damages awarded may be assessed.

(c) A plaintiff covered battery stewardship organization may establish a defendant covered battery producer's fair share of the plaintiff's actual costs by providing the court with information establishing the process by which the defendant covered battery producer's share of covered battery stewardship program costs would have been allocated had the defendant covered battery producer been a participant in the program or paid its allocated share if it was a participant. A plaintiff covered battery stewardship organization may use data from covered battery producers similar in covered battery, financial status, or market share to the defendant covered battery producer to provide the information.

(d) An action may not be commenced under this subdivision against a potential defendant until 60 days after the plaintiff provides to all potential defendants a written notice of the claim setting forth the amount of the claim and the basis for the calculation of the amount.

(e) No action may be brought under this subdivision against a person other than a covered battery producer.

(f) The commissioner may not be a party to or be required to provide assistance or otherwise participate in a civil action authorized under this subdivision unless subject to a subpoena before a court of jurisdiction.

Subd. 2. **Conduct authorized.** A covered battery producer or covered battery stewardship organization that organizes collection and covered services for covered batteries under sections 115A.1331 to 115A.1347 is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the covered battery producer's or covered battery stewardship organization's chosen system.

Subd. 3. **Duty to retain and provide information.** (a) Upon request of the commissioner for purposes of implementing sections 115A.1331 to 115A.1347, 115A.9157, or 325E.125, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(b) A covered battery stewardship organization must retain any information referenced in a covered battery stewardship plan or report required under section 115A.1337 for at least three years after the termination of the covered battery stewardship plan.

Subd. 4. **Contracts.** (a) Any person awarded a contract under chapter 16C for purchase or lease of covered batteries that is found to be in violation of sections 115A.1331 to 115A.1347 is subject to the following sanctions:

(1) the contract must be voided if the commissioner of administration determines that the potential adverse impact to the state is exceeded by the benefit obtained from voiding the contract; and

(2) the contractor is subject to suspension and disbarment under Minnesota Rules, part 1230.1150.

(b) If the attorney general establishes that any money, property, or benefit was obtained by a contractor as a result of violating sections 115A.1331 to 115A.1347, the court may, in addition to any other remedy, order the disgorgement of the unlawfully obtained money, property, or benefit.

Subd. 5. **Multistate implementation.** The commissioner may participate in establishing a regional multistate organization or compact to assist in carrying out the requirements of sections 115A.1331 to 115A.1347.

Subd. 6. **Rules.** The commissioner may adopt rules to implement sections 115A.1331 to 115A.1347. The 18-month time limit under section 14.125 does not apply to rulemaking under this subdivision.

Subd. 7. **Batteries subject to recall for safety reasons.** All costs for receipt, sorting, storage, transport, processing, recycling, and disposal of a battery subject to recall for safety reasons that would otherwise be a covered battery are the responsibility of the person that would otherwise be the covered battery producer of the battery. A covered battery stewardship organization may charge that person for any costs incurred by the covered battery stewardship organization managing such a battery. The covered battery stewardship organization may take action under subdivision 1 to recover such costs. A covered battery stewardship organization is responsible only for collection and management of such a battery if received by a covered battery collector, and not any other actions associated with recall of the battery.

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

Sec. 9. **[115A.1347] DISPOSAL PROHIBITIONS; BATTERY LABELING; COVERED BATTERY SALES RESTRICTION.**

Subdivision 1. **Disposal prohibition.** (a) A person may not place a covered battery into:

(1) solid waste; or

(2) a recycling container that a covered battery collector, or another person that will ensure proper management of collected covered batteries, has not clearly marked for use for collecting covered batteries.

(b) A person must manage a covered battery that is discarded by delivering the covered battery to a covered battery collection site or to a recycling facility for covered batteries.

(c) Until recycled, covered batteries are not exempt from any applicable rules adopted under section 116.07 for managing hazardous waste.

(d) An owner or operator of a waste facility or recycling facility may only be found in violation of paragraph (a) or (b) for a covered battery placed by another person if:

(1) the commissioner first determines that the owner or operator has not complied with the applicable requirements of the solid waste permit issued by the commissioner or established by rule, such as requirements for the management of materials that are prohibited for placement in solid waste; and

(2) the owner or operator does not immediately remove and properly manage the covered battery when the owner or operator discovers it.

Subd. 2. **Labeling and sale; requirements.** (a) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery in or into the state unless the covered battery is labeled as required under clauses (1) and (2). Labeling under this paragraph must be permanently marked on or affixed to the covered battery and must use language, graphics, or a QR code. A QR code must be compliant with International Organization of Standardization 18004:2015 and access equivalent data via the Internet that is available without a fee or a requirement to create an account. The labeling must identify:

(1) the battery chemistry employed to store energy in the battery; and

(2) the manufacturer of the battery or the brand under which the battery will be sold.

(b) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state unless:

(1) the covered battery producer is named as a participant in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a);

(2) the brand is named as covered in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a); or

(3) the covered battery stewardship organization with which the covered battery producer is a participant has obtained approval of reimbursement rates according to section 115A.1335.

(c) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state if the covered battery stewardship plan under which the covered battery was covered has been terminated under section 115A.1335, subdivision 5, until a new covered battery stewardship plan is approved under section 115A.1335, subdivision 4.

(d) This subdivision does not apply to sales, including online sales; offers for sale or promotional purposes; distribution; or facilitation of a sale of a used covered battery or used battery-containing product.

(e) A person is not in violation of paragraph (b) or (c) if, within six months before the date the person sells, offers for sale or promotional purposes, distributes, or facilitates a sale of a covered battery or battery-containing product in or into the state, a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a), identified the covered battery producer as a participant or the brand as covered in a covered battery stewardship program.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 10. Minnesota Statutes 2024, section 115A.554, is amended to read:

115A.554 AUTHORITY OF SANITARY DISTRICTS.

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; ~~115A.961;~~ 116.072; 375.18, subdivision 14; 400.04; 400.06; 400.07; 400.08; 400.16; and 400.161.

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

Sec. 11. Minnesota Statutes 2024, section 115A.9157, is amended to read:

115A.9157 RECHARGEABLE BATTERIES AND PRODUCTS.

Subdivision 1. **Definition.** ~~For the purpose of this section, "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead-acid battery, or any other rechargeable battery, except a rechargeable battery governed by section 115A.9155 or exempted by the commissioner under subdivision 9.~~ The terms used in this section have the meanings given in sections 115A.03 and 115A.1331.

Subd. 2. **Prohibition.** ~~Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.~~ A person may not place a product powered by rechargeable batteries in solid waste unless all batteries have been removed from the product.

Subd. 3. **Collection and management costs.** A manufacturer of ~~rechargeable batteries or~~ products powered by rechargeable batteries that are not easily removable from the products is responsible for the costs of collecting and managing its ~~waste rechargeable batteries and waste~~ products under subdivision 5 to ensure that the products and batteries are not part of the solid waste stream.

Subd. 5. **Collection and management programs.** (a) ~~By September 20, 1995, the manufacturers~~ A manufacturer under subdivision 3 or their representative organization shall implement a permanent ~~programs, based on the results of the pilot projects required in Minnesota Statutes 1994, section 115A.9157, subdivision 4,~~ program that may be reasonably expected to collect 90 percent of the ~~waste rechargeable batteries and the~~ participating ~~manufacturers'~~ manufacturer's products powered by rechargeable batteries that are not easily removable from the products and that are generated as waste in the state. The ~~batteries and~~ products collected must be recycled or otherwise managed or disposed of properly.

(b) In every odd-numbered year ~~after 1995~~, each manufacturer or a representative organization shall provide information to the commissioner and the senate and house of representatives committees having jurisdiction over environment and natural resources and environment and natural resources finance that specifies at least the estimated amount of battery-containing products powered by rechargeable batteries that are not easily removed from the products subject to this section ~~sold~~ generated as waste in the state by ~~each~~ manufacturer ~~and~~, the amount of ~~batteries each~~ such products

collected during the previous two years, and the methodology used to calculate those amounts. A representative organization may report the amounts in aggregate for all the members of the organization.

Subd. 6. ~~**List of participants**~~ **Program notice.** A manufacturer or its representative organization shall inform the commissioner and the committees listed in subdivision 5 when they begin ~~participating in the projects and programs~~ implementing a program under subdivision 5 and immediately if they ~~withdraw participation~~ stop implementing a program.

Subd. 7. **Contracts.** A manufacturer or a representative organization of manufacturers may contract with ~~the state or a political subdivision~~ any person to provide collection services under this section. The manufacturer or organization shall fully reimburse the ~~state or political subdivision~~ person for the value of any contractual services rendered under this subdivision.

Subd. 8. **Anticompetitive conduct.** A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in ~~projects or programs to collect and properly manage waste rechargeable batteries or products powered by rechargeable batteries~~ a program under this section are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of ~~batteries and~~ products required under this section.

~~Subd. 9. **Exemptions.** To ensure that new types of batteries do not add additional hazardous or toxic materials to the mixed municipal solid waste stream, the commissioner of the agency may exempt a new type of rechargeable battery from the requirements of this section if it poses no unreasonable hazard when placed in and processed or disposed of as part of a mixed municipal solid waste.~~

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

Sec. 12. Minnesota Statutes 2024, section 116.92, subdivision 6, is amended to read:

Subd. 6. **Mercury thermometers prohibited.** (a) A manufacturer, wholesaler, or retailer may not sell or distribute at no cost a thermometer containing mercury that was manufactured after June 1, 2001.

(b) Paragraph (a) does not apply to an electronic thermometer with a battery containing mercury if the battery is in compliance with ~~section 325E.125~~ subdivision 8l.

(c) A manufacturer is in compliance with this subdivision if the manufacturer:

(1) has received an exclusion or exemption from a state that is a member of the Interstate Mercury Education and Reduction Clearinghouse (IMERC) for replacement parts when no alternative is available or for an application when no feasible alternative is available;

(2) submits a copy of the approved exclusion or exemption to the commissioner; and

(3) meets all of the requirements in the approved exclusion or exemption for the manufacturer's activities within the state.

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

Sec. 13. Minnesota Statutes 2024, section 116.92, is amended by adding a subdivision to read:

Subd. 8l. **Ban; mercury in batteries.** A person may not sell, offer for sale, or distribute in or into the state:

(1) an alkaline manganese battery that contains mercury that is not a button cell nonrechargeable battery;

(2) a nonrechargeable button cell battery that contains more than 25 milligrams of mercury; or

(3) a dry cell battery containing a mercuric oxide electrode.

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

Sec. 14. Minnesota Statutes 2024, section 325E.125, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** ~~A manufacturer of rechargeable batteries or products powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157~~ A person may not sell, including online sales, facilitate a sale of, distribute, or offer for sale in or into this state rechargeable batteries or products powered by rechargeable batteries ~~after January 1, 1992.~~

~~After January 1, 1992, a person who first purchases rechargeable batteries or products powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or products powered by rechargeable batteries made by any person other than a~~ that are not easily removable unless the manufacturer ~~that~~ participates in the ~~projects and programs~~ program required under section 115A.9157.

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

Sec. 15. Minnesota Statutes 2024, section 325E.1251, subdivision 2, is amended to read:

Subd. 2. **Recovery of costs.** Section 325E.125 may be enforced under ~~section~~ sections 115.071 and 116.072. In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

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

Sec. 16. **REPEALER.**

Minnesota Statutes 2024, sections 115A.9155; 115A.961, subdivisions 1, 2, and 3; 325E.125, subdivisions 1, 2, 2a, 3, and 4; and 325E.1251, subdivision 1, are repealed.

ARTICLE 8

ENERGY FINANCE

Section 1. Minnesota Statutes 2024, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c);

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; ~~and~~

(11) to acquire interests in real or personal property, including easements, environmental covenants under chapter 114E, and leases, that the agency determines are necessary for corrective actions or to ensure the protectiveness of corrective actions. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this clause. Agency approval of an environmental covenant under chapter 114E is sufficient evidence of acceptance of an interest in real property when the agency is expressly identified as a holder in the covenant. Acquisition of real property under this clause, except environmental covenants under chapter 114E, is subject to approval by the board~~.~~; and

(12) to partially reimburse the cost of replacing pressurized single-walled steel piping related equipment in underground petroleum storage tank systems under section 115C.09, subdivision 3l.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, $3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, $6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend

up to $225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 2. Minnesota Statutes 2024, section 115C.09, is amended by adding a subdivision to read:

Subd. 3l. **Reimbursement; single-walled steel piping.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "eligible equipment" means all equipment between the underground petroleum storage tank and the dispenser, including piping, probes, monitors, pumps, containment, and electrical equipment to support the equipment. Eligible equipment does not include underground petroleum storage tanks, dispensers, canopies, site improvements, or signage replacement;

(2) "eligible location" means an underground petroleum storage tank system that is located in Minnesota, has pressurized single-walled steel piping, and was installed before the effective date of this subdivision; and

(3) "qualified person" means someone who is registered as a contractor under sections 115C.11 to 115C.12 and, as part of the person's trade or business, installs or repairs pressurized underground petroleum storage tank systems.

(b) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, for replacement projects beginning after January 1, 2027, the board must reimburse an owner 50 percent of the cost of replacing existing eligible equipment at eligible locations with eligible equipment that meets all current applicable federal and Minnesota regulations and standards, provided that:

(1) the owner considered at least two bids and selected the bid with the lowest total cost; and

(2) the board determines that the costs incurred were reasonable.

(c) The board must not reimburse costs that the board determines were unreasonable.

(d) Reimbursement under paragraph (b) must not exceed $100,000 per eligible location.

(e) The maximum annual expenditure from the fund established under section 115C.08 for purposes of this subdivision must not exceed $4,000,000.

(f) An owner that owns or operates multiple eligible locations must not receive reimbursement for more than two eligible locations per calendar year.

(g) An owner may be reimbursed for the costs of:

(1) all eligible equipment;

(2) labor completed by a qualified person and associated with eligible equipment installation;

(3) labor completed by a qualified person and associated with dirt and concrete work directly associated with installing eligible equipment; and

(4) permits, freight, and shipping directly related to eligible equipment.

(h) Nothing in this subdivision prohibits an owner from receiving reimbursement from other sources for costs that are not reimbursed under this subdivision.

(i) This subdivision expires June 30, 2037.

Sec. 3. Minnesota Statutes 2025 Supplement, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. A public utility serving low-income residential ratepayers who use natural gas or service from a thermal energy network, as defined in section 216B.2427, subdivision 1, for heating must file an affordability program with the commission.

(b) Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills;

(2) increase participating customer payments over time by increasing the frequency of payments;

(3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

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

Sec. 4. **[216B.2429] THERMAL ENERGY NETWORKS.**

Subdivision 1. **Definitions.** For the purposes of this section, "thermal energy network" or "TEN" has the meaning given in section 216B.2427, subdivision 1.

Subd. 2. **Thermal energy network service.** A public utility may offer service by a thermal energy network.

Subd. 3. **Cost recovery.** A public utility must, subject to commission review and approval, recover reasonable and prudently incurred costs of implementing an approved TEN in a general rate case or, before December 31, 2036, in a thermal energy network service rider.

Subd. 4. **TEN consumer protection.** A utility's provision of service by a TEN is subject to the same laws, protections, and commission authority to which a utility's provision of natural gas service is subject under this chapter.

Subd. 5. **TEN siting; priorities.** In assessing locations at which to site a TEN, a utility must give preference to an area:

(1) whose residents have expressed a desire to have a TEN installed;

(2) whose characteristics resemble those of an area in which a successful TEN was completed under a natural gas innovation plan filed under section 216B.2427; or

(3) that includes or is within an environmental justice area, as defined in section 116.065, subdivision 1, paragraph (e).

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

Sec. 5. **[216C.392] SUPPLEMENTAL ENERGY ASSISTANCE GRANT PROGRAM.**

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

(b) "Crisis grant" means a grant to a low-income household to prevent shut-off of residential energy services, reinstate residential energy services, or enable delivery of residential fuels.

(c) "LIHEAP" has the meaning given in section 142G.02, subdivision 59.

(d) "Primary energy grant" means a grant to help a low-income household maintain and continue affordable energy service.

Subd. 2. **Establishment.** A supplemental energy assistance grant program is established in the department to award grants to eligible applicants. The purpose of the program is to assist low-income households experiencing energy burden to pay the costs of heating, cooling, and other home energy costs throughout the year.

Subd. 3. **Applications; procedures.** (a) The commissioner must develop policies and procedures governing the grant application and award process, and must leverage existing LIHEAP application processes and infrastructure to the maximum degree practicable.

(b) An eligible applicant must file an application with the commissioner on a form developed by the commissioner. The form must be available to eligible applicants in both a paper and electronic format.

Subd. 4. **Eligibility.** (a) A Minnesota resident whose household income is below the income eligibility threshold identified in the Minnesota LIHEAP Detailed Model Plan submitted to the United States Department of Health and Human Services for the applicable program year is eligible to receive a grant award under this section. If the LIHEAP Detailed Model Plan is not available, the commissioner may develop a similar income eligibility threshold.

(b) An organization with experience conducting outreach for programs designed for low-income households is eligible for grants awarded under subdivision 6, clause (4).

Subd. 5. **Grant awards.** (a) When awarding grants under this section, the commissioner may give priority to expanding the number of households receiving energy assistance over increasing grant amounts to households that already received assistance under LIHEAP during the same year.

(b) To the extent practicable, available LIHEAP funds must be awarded to all eligible applicants for primary energy and crisis grants before energy and crisis grants are awarded under this section.

Subd. 6. **Types of grants.** The commissioner may award grants under this section for:

(1) crisis grants to households that received a LIHEAP primary energy grant from federal funds but did not receive the maximum crisis grant amount while federal funds allocated for crisis grants were available;

(2) primary energy and crisis grants to eligible households that did not receive LIHEAP primary energy and crisis grants from federal funds;

(3) emergency heating system repair or replacement; and

(4) outreach activities.

Subd. 7. **Reporting.** (a) Beginning January 31, 2028, and annually thereafter until January 31, 2030, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and finance that documents state supplemental energy assistance grant awards made under this section during the previous program year from October 1 to September 30.

(b) To the extent practicable, the following information on grants awarded under this section must be reported by statewide total, by county, and by census tract within cities with populations over 30,000:

(1) the number of households awarded a grant;

(2) the number of households served that did not receive a LIHEAP primary energy grant;

(3) the average primary energy grant award;

(4) the average crisis grant award; and

(5) average annual costs of heating and electricity for households served.

(c) The following information on grants awarded under this section may be reported as statewide totals:

(1) the average household income of grant recipients;

(2) a distribution of grant awards by grant recipients' household income, expressed as a percentage of the federal poverty level established by the United States Department of Health and Human Services;

(3) the number of households that include a person over 60 years old;

(4) the number of households that include a disabled person;

(5) the number of households that include a child under six years old; and

(6) the number of households served by race or ethnicity.

(d) A report under this section must comply with chapter 13, including provisions establishing data on individuals as not public in order to ensure the individual privacy of applicants.

Sec. 6. **APPROPRIATION; PUBLIC UTILITIES COMMISSION.**

$40,000 in fiscal year 2027 is appropriated from the general fund to the Public Utilities Commission for thermal energy network services provided under Minnesota Statutes, section 216B.2429.

Sec. 7. **APPROPRIATION; DEPARTMENT OF COMMERCE.**

(a) $15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of commerce for the supplemental energy assistance grant program under Minnesota Statutes, section 216C.392. This is a onetime appropriation and is available until December 31, 2029.

(b) Of the amount appropriated in paragraph (a):

(1) up to 12.5 percent may be used for staffing and other costs associated with administering the supplemental energy assistance grant program under Minnesota Statutes, section 216C.392, including program planning and preparation, reviewing applications and verifying information, and entering data into a central electronic system maintained by the Department of Commerce. Of this funding, up to 2.5 percent may be used by the Department of Commerce. The remaining amount allocated under this clause may be used to reimburse reasonable administrative costs incurred under Minnesota Statutes, section 216C.392, by service providers contracted by the Department of Commerce to deliver LIHEAP services; and

(2) up to five percent may be used to reimburse the reasonable costs incurred under Minnesota Statutes, section 216C.392, by organizations the department has contracted with to provide outreach and assistance to households to complete grant applications under Minnesota Statutes, section 216C.392. Priority for grants awarded under this clause must be given to organizations that have the ability to conduct outreach to underserved communities and populations, including current service providers and other organizations.

ARTICLE 9

RENEWABLE DEVELOPMENT FINANCE

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

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

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$ -0-**	**$ 22,335,000**

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

Subd. 2. **Microgrid Research and Application**

$800,000 the second year is for a grant to the University of St. Thomas Center for Microgrid Research, which must be used to:

(1) increase the center's capacity to provide industry partners with opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges. This appropriation is available until June 30, 2029.

Subd. 3. **Green Hydrogen Project**

$3,500,000 the second year is for a grant to the city of St. Cloud for the Green Hydrogen Project to incorporate a battery and renewable energy system. This appropriation is available until June 30, 2029.

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

$5,000,000 the second year is for a grant to Ramsey/Washington Recycling and Energy, in partnership with Dem-Con HZI Bioenergy, LLC, to construct an anaerobic digester energy system in Louisville Township. For the purposes of this subdivision, "anaerobic digester energy system" means a facility that uses diverted food and organic waste to create renewable natural gas and biochar. This appropriation is available until June 30, 2029.

Subd. 5. **Como Zoo Geothermal Energy System**

$2,250,000 the second year is for a grant to Como Zoo in the city of St. Paul to construct a geothermal energy system that provides space heating and cooling to the large cats building. For the purposes of this subdivision, "geothermal energy system" means a system composed of a heat pump that moves a heat-transferring fluid through piping embedded in the earth and absorbs the earth's constant temperature, a heat exchanger, and ductwork to distribute heated and cooled air to a building. This appropriation is available until June 30, 2029.

Subd. 6. **Minnesota Energy Alley**

(a) $2,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative. The initiative is designed to promote energy innovation through supporting energy entrepreneurs and emerging businesses to commercialize energy solutions by matching promising innovators with established and trustworthy Minnesota-based public and private partners to demonstrate emerging technologies in real-world applications. The grant may be used to provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This appropriation is available until June 30, 2028.

(b) By January 15, 2028, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy finance and policy on the activities and accomplishments of the Minnesota Energy Alley initiative during the previous fiscal year and the disposition of this appropriation,

including a separate statement of the amount of administrative costs.

Subd. 7. **Ammonia, Hydrogen, and Renewable Energy Certificate Tracking**

(a) $2,000,000 the second year is for a grant to CleanCounts for technology that enables tradable ammonia, hydrogen, and renewable energy certificates.

(b) Beginning January 1, 2027, and through January 1, 2031, an entity that receives a grant under this subdivision must submit a report to the legislative auditor that details how the grant money received has been spent.

(c) Beginning January 1, 2031, and through January 1, 2036, an entity that receives a grant under this subdivision must report to the commissioners of commerce and agriculture regarding the number of ammonia certificates issued in Minnesota as a result of the grant money received.

(d) This appropriation is available until June 30, 2029.

Subd. 8. **Great Plains Institute**

$500,000 the second year is for a grant to the Great Plains Institute for work related to identifying existing and future areas of the state that are suitable for additional distributed ammonia production and that have nearby wind or other curtailed power. This appropriation is available until June 30, 2029.

Subd. 9. **Macalester College Geothermal Energy System**

(a) $2,570,000 the second year is for a grant to Macalester College in St. Paul to construct an aquifer-based geothermal energy system that provides space heating and cooling to a new campus residence hall and welcome center, with the capacity for future expansion to serve as a district heating and cooling plant

for all campus buildings north of Grand Avenue. This appropriation is available until June 30, 2029.

(b) For purposes of this section, "aquifer-based geothermal energy system" means a system composed of wells that access underground aquifers, heat pumps that transfer thermal energy between buildings and the aquifer, heat exchangers, and associated distribution infrastructure.

Subd. 10. **Biomass Energy Facility**

(a) $715,000 the second year is for a grant to Liberty Paper, Inc. to study and plan for an anaerobic digester or a biomass thermal generation facility in the city of Becker. This is a onetime appropriation and is available until June 30, 2029.

(b) For purposes of this section, the following terms have the meanings given: (1) "anaerobic digester" means a facility that uses diverted food and organic waste to generate renewable natural gas and biochar; (2) "biochar" means a solid substance, made from burning organic material, that sequesters carbon and is capable of being used as a soil application; and (3) "biomass thermal generation facility" means a facility that generates energy for commercial heat or industrial process heat from the combustion of organic material.

Subd. 11. **Geothermal Energy System; The Heights Community Energy**

(a) $3,000,000 in the second year is for a grant to The Heights Community Energy to construct a geothermal energy system.

(b) For purposes of this section, "geothermal energy system" means a system composed of one or more heat pumps connected to piping embedded in the earth that exchanges thermal energy with the earth and associated distribution and building mechanical

infrastructure to provide heating and cooling to one or more buildings.

Subd. 12. **Grant Administration**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to $250,000 of the amount in this section for the administrative costs of the grants in this section.

Sec. 3. **UNIVERSITY OF MINNESOTA** **$ -0- $ 2,900,000**

(a) $1,500,000 the second year is for research, development, outreach, and demonstration of energy systems that use hydrogen and ammonia production from renewable energy resources and other sources of clean energy as a means of storing and generating electricity. This appropriation is available until June 30, 2029.

(b) $650,000 the second year is for the Natural Resources Research Institute to evaluate the state's geological hydrogen potential. The evaluation must include: (1) the availability of the mined hydrogen resource; (2) the feasibility of extracting the hydrogen from underground deposits; (3) the potential groundwater management challenges; and (4) cost-effective strategies for storing and transporting mined hydrogen. The Natural Resources Research Institute must submit the evaluation and an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance by May 15, 2028, and a final report by May 15, 2029.

(c) $750,000 the second year is for the Natural Resources Research Institute to evaluate new feedstock resources for a globally competitive, next generation iron ore industry. The study must include but is not limited to quantification and characterization of resources related to iron ore, energy, water, hydrogen, biomass,

carbon materials, process technologies, transportation, and manufacturing infrastructure that support cross-coupling of iron production with industries such as liquid fuels and ammonia. The Natural Resources Research Institute must submit the results of the study and an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance by May 15, 2028, and a final report by May 15, 2029.

Sec. 4. **POLLUTION CONTROL AGENCY** **$ -0- $ 3,000,000**

$3,000,000 the second year is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase equipment to facilitate the disposal of wood that is infested by emerald ash borer. This appropriation is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of the Pollution Control Agency may use up to $25,000 of the amount in this section for the administrative costs of this grant.

Sec. 5. **DEPARTMENT OF AGRICULTURE** **$ -0- $ 4,000,000**

$4,000,000 the second year is for a grant to TalusAg for the production and operation of at least two green fertilizer production systems located in Minnesota. This appropriation is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of agriculture may use up to $25,000 of the amount in this section for the administrative costs of this grant.

Sec. 6. **PUBLIC UTILITIES COMMISSION** **$ -0- $ 300,000**

(a) $300,000 the second year is to contract with a third party to conduct a study to inform policymakers regarding the potential impact of new nuclear generation on the

public interest of Minnesota, including affordability, reliability, environmental protection, public health, and equitable outcomes.

(b) The commission must issue a competitive request for proposals and contract with an independent, qualified entity or consortium with demonstrated expertise in relevant subject matter, and with no material financial interest in the expansion of nuclear generation. The commission must ensure balanced representation of perspectives in the study. The selected entity must disclose any potential conflicts of interest to the commission. If the commission determines that issuing a competitive request for proposals would unreasonably delay completion of the study within the required timeline, the commission may contract on a sole-source basis, provided that the selected entity meets the qualifications and independence requirements under this paragraph.

(c) The study must be completed no later than January 30, 2027, and must include, at a minimum, discussion of:

(1) changes in federal regulations governing the licensing of nuclear-powered facilities that may speed the review and approval process;

(2) technological advances made with respect to conventional nuclear-powered facilities that affect safety and cost;

(3) full life cycle costs, including capital costs, financing costs, construction risk, cost overruns, decommissioning costs, waste management, and long-term liability exposure compared to alternative resource options. The analysis must include historical evidence from comparable projects in the United States and internationally;

(4) ratepayer impacts where new nuclear generation has been developed, including effects on electricity rates, cost and schedule overruns, and the allocation of financial risk between ratepayers and developers;

(5) public finance protections such as public subsidies, tax expenditures, and financial incentives required, and the opportunity cost of those public investments;

(6) the prospects for small modular reactors and factory-built portable modules with a capacity up to 300 megawatts, including:

(i) the types of technologies available;

(ii) current licensing status; and

(iii) estimated costs;

(7) siting issues, including:

(i) the degree to which the requirement for proximity to water resources sufficient for cooling purposes restricts possible locations of nuclear facilities, and what locations meeting that requirement are available in this state;

(ii) the potential for colocating nuclear facilities with businesses that demand very large amounts of electricity;

(iii) the environmental impacts of nuclear facilities, including impacts on the health of nearby residents;

(iv) the prospects for acceptance of nuclear facilities by host communities, and best practices for engaging communities on this issue; and

(v) how interconnection and transmission issues affect potential plant locations;

(8) nuclear waste issues, including:

(i) the amount and toxicity of radioactive waste produced by both conventional nuclear technologies and small modular reactors;

(ii) the costs of on-site storage;

(iii) the prospects for developing permanent storage of radioactive waste at either a federally owned or privately owned repository to which Minnesota's waste could be transported; and

(iv) the feasibility and cost of reprocessing nuclear waste;

(9) the economic impacts of various nuclear technologies on a host community, including:

(i) increased employment levels during construction and operations;

(ii) increased local economic activity resulting from purchases made by the nuclear-powered facility and the facility's employees; and

(iii) potential tax revenue to local communities, local schools, and the state;

(10) impacts of new nuclear-powered electric generating plants on public safety officials and emergency responders in host communities and adjacent areas with respect to emergency planning efforts;

(11) system integration, including impacts on grid flexibility, compatibility with high levels of renewable energy, ramping capability, and implications for achieving Minnesota's greenhouse gas reduction goals;

(12) how new nuclear generation could accelerate or delay achievement of, and assist or hinder ongoing compliance with, Minnesota's statutory greenhouse gas reduction and carbon-free electricity goals, including comparison of deployment timelines;

(13) expected timelines from permitting through operation, including historical averages and delays for similar projects;

(14) current Minnesota statutes and administrative rules that would require modification in order to enable the construction and operation of advanced nuclear reactors;

(15) the feasibility of replacing retiring generation assets in host communities with advanced nuclear reactors; and

(16) the workforce required and available, and the training capacity necessary to construct and operate new nuclear reactors.

(d) The study must be conducted transparently, with all data, assumptions, and models publicly available.

(e) No later than February 1, 2027, the commission must submit the study to the chairs and ranking minority members of the senate and house of representatives committees responsible for energy policy and finance.

Sec. 7. **TRANSFERS.**

(a) $2,000,000 in fiscal year 2027 is transferred from the renewable development account in the special revenue fund to the geothermal planning grant account under Minnesota Statutes, section 216C.47, subdivision 3. This is a onetime transfer.

(b) $4,465,000 in fiscal year 2027 is transferred from the renewable development account in the special revenue fund to the preweatherization account under Minnesota Statutes, section 216C.264, subdivision 1c. This is a onetime transfer.

ARTICLE 10

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. **WORKFORCE DEVELOPMENT FUND APPROPRIATIONS.**

Subdivision 1. **Appropriations.** The amounts specified in the following subdivisions are appropriated from the workforce development fund to the commissioner of employment and economic development for the purposes specified in each subdivision. The appropriations are in fiscal year 2027 and onetime. Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 14, and

116J.035, subdivision 7, the commissioner may use up to three percent of the amounts appropriated for administrative costs.

Subd. 2. **Wallin Education Partners.** $100,000 is for a grant to Wallin Education Partners to support its career development program, which provides career exploration, skill building, mentoring, direct talent pipeline development, and early employment readiness for underresourced participants. Money may also be used to expand Wallin's construction and health care pathways programs, which offer advising, hands-on learning, and work-based experience to prepare participants for careers in construction and health care.

Subd. 3. **New Pathways.** $130,000 is for a grant to New Pathways in Cambridge to support preemployment and job readiness programming for families with children experiencing homelessness. Money may be used to provide individualized employment preparation, resume and job application assistance, interview readiness, and connections to local employers and training programs. This programming must help parents overcome barriers to employment while working toward stable housing and self-sufficiency through case management, family education, and partnerships with community resources.

Subd. 4. **People Serving People.** $250,000 is for a grant to People Serving People in Minneapolis to provide preemployment and job readiness services for parents and adults experiencing homelessness. Money may be used for resume and cover letter writing support, job search and application assistance, mock interviews, interview and work clothing, uniform and licensure fee assistance, technology access, financial fitness classes, and child care and transportation support to help families overcome barriers to employment, achieve financial stability, and build pathways to long-term self-sufficiency.

Subd. 5. **Local News Talent Pipeline Program.** $250,000 is for a grant to the Minnesota News Media Institute for a local news talent pipeline program, a statewide initiative to encourage Minnesotans to seek careers in journalism and local news operations and strengthen the capacity of Minnesota news outlets. Grant money must be used by the recipients to provide paid internships with Minnesota newspapers, television and radio broadcasters, and digital news platforms for individuals to gain experience in reporting, editing, media design, and other operational functions. To the extent practicable, the Minnesota News Media Institute should seek a balanced geographic distribution of grants and allocation of grants across different news mediums. The Minnesota News Media Institute must consult with local Minnesota-based news organization associations, including the Minnesota Broadcasters Association and Minnesota Newspaper Association, on the administration of the grant program. The Minnesota News Media Institute may retain up to five percent of funding to cover administrative expenses of operating the grant program.

Subd. 6. **Appetite for Change.** $150,000 is for a grant to Appetite For Change for the Youth Training and Opportunities Program to provide workforce training for local youth in urban agriculture, culinary arts, and leadership development.

Subd. 7. **180 Degrees.** $250,000 is for a grant to 180 Degrees, serving teens in Hennepin, Ramsey, Stearns, Carver, and Olmsted Counties and surrounding areas, to support youth and young adult employment readiness and exposure to career opportunities. Money may be used for career exploration, resume development, mock interviews, and work readiness training that fosters hope,

self-sufficiency, and positive career pathways for young people at risk of or experiencing homelessness, helping them break cycles of poverty and avoid exploitation or chronic instability.

Subd. 8. **The Cookie Cart.** $300,000 is for a grant to The Cookie Cart for earn and learn workforce training for youth ages 14 to 18 to provide life, leadership, and employment skills through on-the-job and classroom experiences in a nonprofit bakery.

Subd. 9. **Hmong American Partnership.** $500,000 is for a grant to the Hmong American Partnership for job training and employment services.

Subd. 10. **Getting to Work Grant Program.** $1,000,000 is for the getting to work grant program under Minnesota Statutes, section 116J.545.

Subd. 11. **Enterprise Minnesota, Inc.** $2,000,000 is for a grant to Enterprise Minnesota, Inc., to directly invest in Minnesota manufacturers under the Made in Minnesota program under Minnesota Statutes, section 116O.115, and for operations of Enterprise Minnesota, Inc.

Sec. 2. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION MODIFICATION.**

(a) The appropriation for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), must prioritize Minnesota clinicians and students. The Rural Cancer Institute may work with clinicians and students from elsewhere in the United States if the clinician or student receives the recommendation of a practicing Minnesota oncologist and all care is provided in Minnesota.

(b) The appropriations in fiscal years 2026 and 2027 for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), are available until June 30, 2028.

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

ARTICLE 11

LABOR APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Appropriations.** The amounts specified in the following subdivisions are appropriated from the general fund to the commissioner of labor and industry for the purposes specified in each subdivision.

Subd. 2. **Additional support for Safe Workplaces for Meat and Poultry Processing Workers Act.** $163,000 in fiscal year 2027 is for one added full-time equivalent position to support activities under the Safe Workplaces for Meat and Poultry Processing Workers Act under Minnesota Statutes, sections 179.87 to 179.877.

Subd. 3. **Suitable seating enforcement.** $200,000 in fiscal year 2027 is for enforcement of Minnesota Statutes, section 181.995.

ARTICLE 12

LABOR POLICY

Section 1. Minnesota Statutes 2024, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 177.50, 179.86, 181.02, 181.03, 181.031, 181.032, 181.10, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.64, 181.722, 181.723, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 181.995, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

Sec. 2. Minnesota Statutes 2024, section 181.03, subdivision 6, is amended to read:

Subd. 6. **Retaliation.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this section, sections 177.21 to 177.44, 181.01 to 181.723, ~~or~~ 181.79, or 181.995, including, but not limited to, filing a complaint with the department or telling the employer of the employee's intention to file a complaint. In addition to any other remedies provided by law, an employer who violates this subdivision is liable for a civil penalty of not less than $700 nor more than $3,000 per violation.

Sec. 3. **[181.995] SUITABLE SEATING FOR EMPLOYEES.**

Subdivision 1. **Suitable seating for employees required.** An employer must provide suitable seating for employees and must permit the use of those seats by employees when the nature of the work reasonably permits the use of seats. For purposes of this section, "suitable seating" means an adequate number of seats placed in reasonable proximity to the work area and includes chairs, benches, or stools.

Subd. 2. **Enforcement.** This section shall be enforced by the commissioner under section 177.27. A violation of this section is subject to a penalty of up to $250 for each violation.

Subd. 3. **Effect on other laws.** Nothing in this section shall be construed to affect any provision of law relating to occupational health and safety or in any way diminish the coverage of laws relating to pregnancy, disability, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

ARTICLE 13

STATE GOVERNMENT APPROPRIATIONS

Section 1. Laws 2023, chapter 70, article 20, section 12, as amended by Laws 2023, chapter 75, section 13, and Laws 2024, chapter 127, article 67, section 15, is amended to read:

Sec. 12. **COMMISSIONER OF MANAGEMENT**		~~**3,412,000**~~
AND BUDGET	**$ 12,932,000**	**$ 2,412,000**

(a) **Outcomes and evaluation consultation.** $450,000 in fiscal year 2024 and $450,000 in fiscal year 2025 are for outcomes and evaluation consultation requirements.

(b) **Department of Children, Youth, and Families.** $11,931,000 in fiscal year 2024 and ~~$2,066,000~~ $1,066,000 in fiscal year 2025 are to establish the Department of Children, Youth, and Families. This is a onetime appropriation.

(c) **Health care subcabinet.** $551,000 in fiscal year 2024 and $664,000 in fiscal year 2025 are to hire an executive director for the health care subcabinet and to provide staffing and administrative support for the health care subcabinet.

(d) **Base level adjustment.** The general fund base is $1,114,000 in fiscal year 2026 and $1,114,000 in fiscal year 2027.

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

Sec. 2. **APPROPRIATION; ATTORNEY GENERAL.**

$1,231,000 in fiscal year 2027 is appropriated from the general fund to the attorney general for the Medicaid Fraud Control Unit.

Sec. 3. **APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

$1,925,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of administration for grants to public television stations for operations. Of this amount, $350,000 is

for a grant to Pioneer PBS; $475,000 is for a grant to Lakeland PBS; $650,000 is for a grant to KSMQ; $250,000 is for a grant to PBS North; and $200,000 is for a grant to Prairie Public television.

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

ARTICLE 14

BOARD OF BARBER EXAMINERS

Section 1. Minnesota Statutes 2024, section 154.001, subdivision 2, is amended to read:

Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is established to consist of four barber members and one public member, as defined in section 214.02, appointed by the governor.

(b) The barber members shall be persons who have practiced as registered barbers in this state for at least five years immediately prior to their appointment; shall be graduates from the 12th grade of a high school or have equivalent education, and shall have knowledge of the matters to be taught in registered barber schools, as set forth in section 154.07. ~~One of the barber members shall be a member of, or recommended by, a union of journeymen barbers that has existed at least two years, and one barber member shall be a member of, or recommended by, a professional organization of barbers.~~

Sec. 2. Minnesota Statutes 2024, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) practical examination ~~and certificate~~, registered barber, ~~$85~~ $80;

~~(2) retake of written examination, $10;~~

(2) initial barber registration, $80;

(3) examination and certificate, instructor, $180;

(4) certificate, instructor, $65;

(5) temporary teacher permit, $80;

(6) temporary registered barber, military, $85;

(7) temporary barber instructor, military, $180;

(8) renewal of registration, registered barber, $80;

(9) renewal of registration, instructor, $80;

(10) renewal of temporary teacher permit, $65;

(11) student permit, $45;

(12) renewal of student permit, $25;

(13) initial shop registration, $85;

(14) initial school registration, $1,030;

(15) renewal shop registration, $85;

(16) renewal school registration, $280;

(17) restoration of registered barber registration, $95;

(18) restoration of shop registration, $105;

(19) change of ownership or location, $55;

(20) duplicate registration, $40;

(21) home study course, $75;

(22) letter of registration verification, $25; and

(23) reinspection, $100.

(c) If the board uses a board-approved examination provider for any portion of the comprehensive registered barber examination and the provider charges a fee, an examinee must pay the fee directly to the provider. A fee charged by a provider under this paragraph is separate from and not included in the fees that an examinee pays to the board.

Sec. 3. Minnesota Statutes 2024, section 154.01, is amended to read:

154.01 REGISTRATION MANDATORY.

(a) The registration of the practice of barbering serves the public health and safety of the people of the state of Minnesota by ensuring that individuals seeking to practice the profession of barbering are appropriately trained in the use of the chemicals, tools, and implements of barbering and demonstrate the skills necessary to conduct barber services in a safe, sanitary, and appropriate environment required for infection control.

(b) No person shall practice, offer to practice, or attempt to practice barbering without a current certificate of registration as a registered barber, issued ~~pursuant to provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(c) A registered barber must only provide barbering services in a registered barber shop or barber school, unless prior authorization is given by the board.

(d) No person shall operate a barber shop unless it is at all times under the direct supervision and management of a registered barber and the owner or operator of the barber shop possesses a current shop registration card, issued to the barber shop establishment address~~, under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(e) No person shall serve, offer to serve, or attempt to serve as an instructor of barbering without a current certificate of registration as a registered instructor of barbering or a temporary permit as an instructor of barbering, as provided for the board by rule, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners. Barber instruction must be provided in registered barber schools only.

(f) No person shall operate a barber school unless the owner or operator possesses a current certificate of registration as a barber school, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

Sec. 4. Minnesota Statutes 2024, section 154.02, subdivision 1, is amended to read:

Subdivision 1. **What constitutes barbering.** Any one or any combination of the following practices when done upon the head, face, and neck for cosmetic purposes and not for the treatment of disease or physical or mental ailments and when done for payment directly or indirectly or without payment for the public generally constitutes the practice of barbering within the meaning of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter: to shave the face or neck using a straight razor or other tool, trim the beard, clean, condition, cut, color, shape, or straighten the hair of any person of either sex for compensation or other reward received by the person performing such service or any other person; to give facial and scalp massage with oils, creams, lotions, or other preparations either by hand or mechanical appliances; to singe, shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils, clays, or lotions to hair, scalp, face, or neck. The removal of hair through the process of waxing is not barbering.

Sec. 5. Minnesota Statutes 2024, section 154.02, subdivision 4, is amended to read:

Subd. 4. **Certificate of registration.** A "certificate of registration" means the certificate issued to an individual, a barber shop, or a barber school that is in compliance with ~~the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter.

Sec. 6. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 7. **Straight razor.** A straight razor is a razor with a rigid steel cutting blade or a replaceable blade that is hinged to a case that forms a handle when the razor is open for use.

Sec. 7. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 8. **Waxing.** Waxing is the process of removing hair from a part of the body by applying wax and peeling off the wax.

Sec. 8. Minnesota Statutes 2024, section 154.05, is amended to read:

154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED BARBER.

~~(a)~~ A person is qualified to receive a certificate of registration as a registered barber if the person:

(1) ~~has successfully completed ten grades of education~~ is at least 17 years of age;

(2) has successfully completed 1,500 hours of study of which 281 hours are classroom hours and 1,219 hours are practical hours in a board-approved barber school; and

(3) has passed ~~an~~ a comprehensive examination ~~conducted by the board~~ in accordance with section 154.09 to determine the person's fitness to practice barbering.

~~(b) A first-time applicant for a certificate of registration to practice as a registered barber who fails to pass the comprehensive examination conducted by the board and who fails to pass a onetime retake of the written examination, shall complete an additional 500 hours of barber education before being eligible to retake the comprehensive examination as many times as necessary to pass.~~

Sec. 9. Minnesota Statutes 2024, section 154.07, subdivision 1, is amended to read:

Subdivision 1. **Admission requirements; course of instruction.** No barber school shall be approved by the board unless ~~it~~ the barber school requires, ~~as a prerequisite to admission, ten grades of an approved school or its equivalent, as determined by educational transcript, high school diploma, high school equivalency certificate, or an examination conducted by the commissioner of education, which shall issue a certificate that the student has passed the required examination, and unless it requires,~~ as a prerequisite to graduation, a course of instruction of at least 1,500 hours of not more than ten hours of schooling in any one working day. The course of instruction must include the following subjects: scientific fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation; disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening of hair.

Sec. 10. Minnesota Statutes 2024, section 154.07, is amended by adding a subdivision to read:

Subd. 7. **Application review process.** (a) Upon receipt of an application to establish a barber school, the board must consider the application during a meeting that is open to the public. At the meeting, the applicant must demonstrate that:

(1) the contents of the application are true, as required by chapter 154 and the rules of the board; and

(2) the applicant has sufficient financial resources to fund the barber school.

(b) The board may deny an application if the board determines that the applicant's financial resources would be insufficient to:

(1) maintain and operate a barber school; and

(2) ensure that the barber school would be open long enough for all registered students to graduate from the barber school.

Sec. 11. Minnesota Statutes 2024, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Each applicant for an examination shall:

(1) make an application to the Board of Barber Examiners or a board-approved examination provider on blank forms prepared and furnished by ~~it, the application to~~ the board or the board-approved provider. The application must contain proof under the applicant's oath of the particular qualifications and identity of the applicant;

(2) provide all documentation required in support of the application;

(3) pay to the board the required fee; ~~and~~

(4) upon acceptance of the notarized application, present a corresponding government-issued photo identification when the applicant appears for the examination~~.~~; and

(5) file an application with the board no later than the twentieth day of the month preceding the month when the practical portion of the exam is administered.

Sec. 12. Minnesota Statutes 2024, section 154.09, is amended to read:

154.09 EXAMINATIONS, CONDUCT AND SCOPE.

Subdivision 1. **Examination dates.** The board or a board-approved examination provider shall conduct practical examinations of applicants for certificates of registration to practice as registered barbers not more than ~~six~~ eight times each year, at such time and place as the board may determine. ~~Additional~~ Written examinations may be scheduled ~~by the board~~ and conducted by board staff or a board-approved provider as designated by the board.

Subd. 2. **Documentation required.** The ~~proprietor~~ owner or operator of a barber school must file an affidavit with the board of hours completed by students applying to take the ~~registered barber~~ comprehensive examination. Students must complete the full 1,500-hour curriculum in a barber school approved by the board ~~within the past four years~~ to be eligible for the examination. ~~Barber students who have completed barber school more than four years prior to application, that have not obtained a barber registration, license, or certificate in any jurisdiction must complete an additional 500 hours of barber school education to be eligible for the registered barber examination.~~

Subd. 3. **Examinations for registration restoration.** ~~Registered barbers that fail~~ An individual who fails to renew ~~their~~ the individual's barber registration for four or more years ~~are~~ is required to purchase and complete the "Home Study Course for Barbers" program that was prepared and approved by the board before the individual is eligible to apply to take the ~~registered barber~~ comprehensive examination to reinstate the individual's registration.

Subd. 4. **Examinations for individuals seeking reciprocity.** An individual who must pass the comprehensive examination under section 154.11 must purchase and complete the "Home Study

Course for Barbers" program that was prepared and approved by the board before the individual is eligible to take the comprehensive examination.

Subd. 5. **Contents of examination.** The comprehensive examination ~~of applicants for certificates of registration as barbers shall~~ must include:

(1) a practical ~~demonstration~~ portion that consists of a haircut and three of the following practical services that the board shall determine: a shave, a beard trim, a shampoo, a perm wrap, a facial, or a color application; and

(2) a written ~~test. The examination must cover~~ portion that covers the subjects taught in barber schools ~~registered with the board, including~~ as required by this chapter, applicable state ~~statute~~ statutes, and ~~rule~~ rules.

Subd. 6. **Examination grading.** The comprehensive examination must be graded as follows:

(1) the grading for the practical portion of the examination must be on a scale of one to 100, with 100 representing a perfect score. A score of 75 must be the minimum passing grade for the haircut portion and 75 must be the minimum passing score for the average of the remaining parts of the practical examination; and

(2) the minimum passing score for the written portion of the examination is 75 percent.

Subd. 7. **Failure of examination.** (a) An individual who does not pass one portion of the comprehensive examination within a year of passing the other portion of the comprehensive examination must retake the entire comprehensive examination.

(b) An individual who has failed a portion of the comprehensive examination may retake that portion of the examination within a year of passing the other portion after meeting the requirements of this chapter, paying any required fees, and making an application to the board as required by section 154.08.

Sec. 13. Minnesota Statutes 2024, section 154.11, subdivision 1, is amended to read:

Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of the requirements for barber registration in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter and either has a currently active license, certificate of registration, or equivalent as a practicing barber or instructor of barbering as verified from another state or, if presenting foreign country credentials as verified by a board-approved professional credential evaluation provider, which in the discretion of the board has substantially the same requirements for registering barbers and instructors of barbering as required ~~by sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ in this chapter shall, upon payment of the required fee, be issued a certificate of registration without examination.

(b) Individuals without a current documented license, certificate of registration, or equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber education as verified by the barber school attended in the other state or if presenting foreign country education as verified by a board-approved professional credential evaluation provider, completed within the previous four years, which, in the discretion of the board, has substantially the same requirements as required

in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter will be eligible for examination.

(c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be subject to all the requirements of section 154.05.

Sec. 14. Minnesota Statutes 2024, section 154.11, is amended by adding a subdivision to read:

Subd. 4. **Examination of cosmetologists.** (a) A person may be credited with up to 1,000 hours of study toward the 1,500 hours of study required under section 154.05 if the person:

(1) has hours of study that the board determines are substantially similar to the requirements in section 154.07;

(2) has a currently active license verified by the issuing state or a certificate of registration verified by the issuing state, or equivalent, as a practicing cosmetologist; or

(3) has credentials as a practicing cosmetologist from a foreign country that are verified by a board-approved professional credential evaluation provider and the board has determined that the foreign country's curriculum requirements are substantially similar to the requirements in section 154.07.

(b) After a person with credited hours under paragraph (a) completes the remaining required hours in a board-approved barber school and meets the requirements of section 154.05, clause (1), the person is eligible for the comprehensive examination.

Sec. 15. **REPEALER.**

Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, and 5; 2100.5300; and 2100.6000, are repealed.

ARTICLE 15

BOARD OF COSMETOLOGIST EXAMINERS

Section 1. Minnesota Statutes 2024, section 155A.20, is amended to read:

155A.20 BOARD OF COSMETOLOGIST EXAMINERS CREATED; TERMS.

(a) A Board of Cosmetologist Examiners is established to consist of seven members, appointed by the governor as follows:

(1) two cosmetologists, one of whom is recommended by a professional association of cosmetologists, nail technicians, and estheticians;

(2) two school instructors, one of whom is teaching at a public cosmetology school in the state and one of whom is teaching at a private cosmetology school in the state;

(3) one advanced practice esthetician;

(4) one nail technician; and

(5) one public member, as defined in section 214.02.

(b) All cosmetologist, advanced practice esthetician, and nail technician members must be currently licensed in the field of cosmetology, nail technology, or ~~esthetology,~~ advanced practice esthiology in Minnesota~~,~~; have practiced in the licensed occupation for at least five years immediately prior to their appointment~~, be graduates from grade 12 of high school or have equivalent education,~~; and have knowledge of sections 155A.21 to 155A.36 and Minnesota Rules, chapters 2105 and 2110.

(c) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements ~~shall~~ must be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations ~~shall~~ must be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal ~~shall~~ must serve during the unexpired term of their predecessors.

Sec. 2. Minnesota Statutes 2024, section 155A.23, subdivision 4, is amended to read:

Subd. 4. **Cosmetologist.** A "cosmetologist" is any person who, for compensation, performs ~~the~~ personal services~~, as defined in subdivision 3~~ for the cosmetic care of the hair, nails, and stratum corneum of the epidermal layer of the skin surface.

Sec. 3. Minnesota Statutes 2024, section 155A.23, subdivision 5, is amended to read:

Subd. 5. **Esthetician.** An "esthetician" is any person who, for compensation, performs personal services for the cosmetic care of the stratum corneum of the epidermal layer of the skin surface only.

Sec. 4. Minnesota Statutes 2024, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, hair technician, nail technician ~~practitioner~~, or eyelash technician, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 5. Minnesota Statutes 2024, section 155A.23, subdivision 9, is amended to read:

Subd. 9. **Salon.** A "salon" is an indoor area, room, or rooms employed to offer personal services, as defined in subdivision 3. ~~"Salon"~~ Salon does not include the home of a customer but the board may adopt health and infection control rules governing practice in the homes of customers.

Sec. 6. Minnesota Statutes 2024, section 155A.23, subdivision 10, is amended to read:

Subd. 10. **School.** A "school" is a place where ~~any person operates and maintains a class to teach~~ cosmetology instruction or training is offered to the public for compensation. ~~"School"~~ School does not include a place ~~where the only teaching of cosmetology is done by a licensed cosmetologist as part of a community education program of less than ten hours duration, provided that the program does not permit practice on persons other than students in the program, and provided that the program is intended solely for the self-improvement of the students~~ that only offers continuing education

according to this chapter, additional instruction or training to licensees on services within the licensee's scope of practice, or community education programs for personal enrichment and not as preparation for professional practice.

Sec. 7. Minnesota Statutes 2024, section 155A.23, is amended by adding a subdivision to read:

Subd. 10a. **School administrator.** "School administrator" means the proprietor, if the applicant is a proprietorship; the managing partner, if the applicant is a partnership; the authorized officers, if the applicant is a corporation, association, company, firm, society, or trust; or the dean, principal, or other authorized signatory, if the applicant is a school in the Minnesota State Colleges and Universities system or a secondary school.

Sec. 8. Minnesota Statutes 2024, section 155A.23, subdivision 18, is amended to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed as an operator or manager in the practice of cosmetology, esthiology, advanced practice esthiology, hair technology services, nail technology services, or eyelash technology services.

Sec. 9. Minnesota Statutes 2024, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) $195 initial practitioner, manager, or instructor license, divided as follows:

(i) $155 for each initial license; and

(ii) $40 for each initial license application fee;

(2) $115 renewal of practitioner license, divided as follows:

(i) $100 for each renewal license; and

(ii) $15 for each renewal application fee;

(3) $145 renewal of manager or instructor license, divided as follows:

(i) $130 for each renewal license; and

(ii) $15 for each renewal application fee;

(4) $350 initial salon license, divided as follows:

(i) $250 for each initial license; and

(ii) $100 for each initial license application fee;

(5) $225 renewal of salon license, divided as follows:

(i) $175 for each renewal; and

(ii) $50 for each renewal application fee;

(6) $4,000 initial school license, divided as follows:

(i) $3,000 for each initial license; and

(ii) $1,000 for each initial license application fee; and

(7) $2,500 renewal of school license, divided as follows:

(i) $2,000 for each renewal; and

(ii) $500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, $150;

(2) manager and owner with expired practitioner or instructor found on inspection, $150 each;

(3) expired practitioner or instructor found on inspection, $200;

(4) expired salon found on inspection, $500;

(5) expired school found on inspection, $1,000;

(6) failure to display current license, $100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, $500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, $500;

~~(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, $500;~~

~~(10) owner and manager allowing an operator to work as an independent contractor, $200;~~

~~(11) operator working as an independent contractor, $100;~~

~~(12)~~ (9) refusal or failure to cooperate with an inspection, $500;

~~(13)~~ (10) practitioner late renewal fee, $45; and

~~(14)~~ (11) salon or school late renewal fee, $50.

(d) Administrative fees are as follows:

(1) homebound service permit, $50 three-year fee;

(2) name change, $20;

(3) certification of licensure, $30 each;

(4) duplicate license, $20;

~~(5) special event permit, $75 per year;~~

~~(6) $100~~ (5) no fee for ~~each~~ a temporary military license for a cosmetologist, nail technician, esthetician, ~~or~~ advanced practice esthetician ~~one-year fee~~, or eyelash technician;

~~(7)~~ (6) expedited initial individual license, $150;

~~(8)~~ (7) expedited initial salon license, $300;

~~(9)~~ (8) instructor continuing education provider approval, $150 each year; and

~~(10)~~ (9) practitioner continuing education provider approval, $150 each year.

Sec. 10. Minnesota Statutes 2024, section 155A.25, subdivision 3, is amended to read:

Subd. 3. **Other licenses.** A licensee who applies for licensing in a second category ~~shall~~ must pay the full license fee and application fee for the second category of license. If maintaining more than one license, a licensee must pay the renewal and application fee for each license except as provided in section 155A.27, subdivision 6b.

Sec. 11. Minnesota Statutes 2024, section 155A.25, subdivision 5, is amended to read:

Subd. 5. **Board must approve or deny application; timeline.** Within 15 working days of receiving a complete application and the required fees, if any, to apply for or renew an individual or salon license that is not an expedited license or a military license, the board must (1) issue the license, (2) deny the license and notify the applicant of the denial, or (3) if the conditions in subdivision 6 are met, notify the applicant that the board must conduct additional review.

Sec. 12. Minnesota Statutes 2024, section 155A.25, subdivision 7, is amended to read:

Subd. 7. **Temporary military license or expedited license.** Within five business days of receiving a completed application and the required fees, if any, for an individual or salon license that meets requirements for an expedited license or a temporary military license, the board must: (1) issue the license; (2) deny the license and notify the applicant of the denial; or (3) notify the applicant that the board must conduct additional review if the application meets the conditions in subdivision 8.

Sec. 13. Minnesota Statutes 2024, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board ~~shall~~ must establish temporary licenses for a cosmetologist, a hair technician, a nail technician, an eyelash technician, an esthetician, and an advanced practice esthetician in accordance with section 197.4552, subdivision 2. A temporary license issued under section 197.4552, subdivision 2, is valid for a three-year licensing period. The board must only issue one temporary license per applicant.

Sec. 14. Minnesota Statutes 2024, section 155A.27, is amended by adding a subdivision to read:

Subd. 6a. **Instructor license renewal.** (a) When issuing an instructor license to an individual who holds an operator or a salon manager license in the same classification, the board must extend the expiration date of the operator or salon manager license so that both licenses in the same classification expire on the same date.

(b) When an individual simultaneously renews an instructor license and an operator or a salon manager license in the same classification, the board must charge the individual only the instructor renewal license and renewal application fee according to section 155A.25, subdivision 1a, paragraph (b), clause (3), and must not charge a fee for renewing the operator or salon manager license.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 15. Minnesota Statutes 2024, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, a hair technician, an advanced practice esthetician, a nail technician, an esthetician, or an eyelash technician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, ~~and~~ has passed a board-approved theory and practice-based examination, and has passed the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses ~~shall~~ must not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least three years and have passed a board-approved theory and practice-based examination~~,~~ and the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country ~~shall~~ must supply official English-language translations of all required documents from a board-approved source.

Sec. 16. Minnesota Statutes 2024, section 155A.27, is amended by adding a subdivision to read:

Subd. 11. **Reciprocity for barbers.** A person who is a registered barber under chapter 154 may be granted credit up to 500 hours, as determined by a Minnesota-licensed cosmetology school, toward the required hours of study for a license in cosmetology or hair technology if the person:

(1) provides the cosmetology school with a verification of registration issued from the Minnesota Board of Barber Examiners verifying that the person has an active Minnesota barber registration; and

(2) holds an active Minnesota barber registration at the time that the person applies for a license in cosmetology or hair technology.

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

Sec. 17. Minnesota Statutes 2024, section 155A.271, subdivision 2, is amended to read:

Subd. 2. **Continuing education providers.** (a) Only a board-licensed school of cosmetology, a postsecondary institution as ~~defined~~ described in section 136A.103, subdivision 1, paragraph (a), or a board-recognized professional association organized under chapter 317A may be approved by the board to offer continuing education for credit under subdivision 1, paragraph (a). Continuing education under subdivision 1, paragraph (b), may be offered by a:

(1) board-licensed school of cosmetology;

(2) board-recognized professional association organized under chapter 317A; or

(3) board-licensed salon.

An approved school or professional association may offer web-based continuing education instruction to achieve maximum involvement of licensees. Continuing education providers are encouraged to offer classes available in foreign language formats.

(b) Board approval of any continuing education provider is valid for one calendar year and is contingent upon submission and preapproval of the lesson plan or plans with learning objectives for the class to be offered and the payment of the application fee in section 155A.25, subdivision 1a, paragraph (d), clause ~~(10)~~ (9). The board ~~shall~~ must maintain a list of approved providers and courses on the board's website. The board may revoke authorization of a continuing education provider at any time for just cause and the board may demand return of documents required under subdivision 3.

Sec. 18. Minnesota Statutes 2024, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** The conditions and process by which a salon is licensed ~~shall~~ must be established by the board by rule. In addition to those requirements, ~~no~~ a license ~~shall~~ must not be issued unless the board first determines that the conditions in clauses (1) to (4) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of infection control, health, and safety;

(2) the ~~employment~~ appointment of a manager, as defined in section 155A.23, subdivision 8;

(3) if applicable, evidence of compliance with workers' compensation section 176.182; and

(4) evidence of continued professional liability insurance coverage of at least $25,000 for each claim and $50,000 total coverage for each policy year for each ~~operator~~ practitioner.

Sec. 19. Minnesota Statutes 2024, section 155A.30, subdivision 3, is amended to read:

Subd. 3. **Applications.** Application for a license ~~shall~~ must be prepared on forms furnished by the board and ~~shall~~ must contain the following and such other information as may be required:

(1) the name of the school, together with ownership and controlling officers, members, and managing employees;

(2) the specific fields of instruction which will be offered and reconciliation of the course content and length to meet the minimum standards, as prescribed in subdivision 2;

(3) the place or places where instruction will be given;

(4) a listing of the equipment available for instruction in each course offered;

(5) the maximum enrollment to be accommodated;

(6) a listing of instructors, all of whom ~~shall~~ must be licensed as provided in section 155A.27, subdivision 2, except that any school may use occasional instructors or lecturers who would add to the general or specialized knowledge of the students but who need not be licensed;

(7) a current balance sheet, income statement or documentation to show sufficient financial worth and responsibility to properly conduct a school and to assure financial resources ample to meet the school's financial obligations;

(8) other financial guarantees ~~which~~ that would assure protection of the public as determined by rule; and

(9) a copy of all written ~~material which~~ materials that the school uses ~~to solicit prospective students, including but not limited to a tuition and fee schedule, and all catalogues, brochures and other recruitment advertisements. Each school shall annually, on a date determined by the board, file with the board any new or amended materials which it has distributed during the past year~~ for prospective student enrollment, including the enrollment contract, the student handbook, and tuition and fee information.

Sec. 20. Minnesota Statutes 2024, section 155A.30, subdivision 4, is amended to read:

Subd. 4. **Verification of application.** Each application ~~shall~~ must be signed and certified to under oath by ~~the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust~~ a school administrator as defined in section 155A.23, subdivision 10a.

Sec. 21. Minnesota Statutes 2024, section 155A.30, subdivision 5, is amended to read:

Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the board first determines that the applicant has met the requirements in clauses (1) to (9):

(1) the applicant must have a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and to maintain proper use and support of the school;

(2) the applicant must have satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(3) the applicant must employ a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(4) the premises and conditions under which the students work and study must be sanitary, healthful, and safe according to modern standards;

(5) each occupational course or program of instruction or study must be of such quality and content as to provide education and training that will adequately prepare enrolled students for testing, licensing, and entry level positions;

(6) the school must have coverage by professional liability insurance of at least $25,000 per incident and an accumulation of $150,000 for each premium year;

(7) the applicant ~~shall~~ must provide evidence of the school's compliance with section 176.182;

(8) the applicant, except the state and its political subdivisions as described in section 13.02, subdivision 11, must file with the board a continuous corporate surety bond in the amount of no less than ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than $10,000, conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. New schools must base the bond amount on the anticipated gross income from student tuition, fees, and other required institutional charges for the third year of operation, but in no event less than $10,000. The applicant must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. The bond ~~shall~~ must run to the board and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The surety of the bond may cancel it upon giving 60 days' notice in writing to the board and ~~shall~~ must be relieved of liability for any breach of condition occurring after the effective date of cancellation; and

(9) the applicant must appoint a designated school manager.

Sec. 22. Minnesota Statutes 2024, section 155A.30, subdivision 6, is amended to read:

Subd. 6. **Fees; renewals.** (a) Applications for initial license under sections 155A.21 to 155A.36 ~~shall~~ must be accompanied by a nonrefundable application fee set forth in section 155A.25.

(b) License duration ~~shall~~ must be three years. Each renewal application ~~shall~~ must be accompanied by a nonrefundable renewal fee set forth in section 155A.25.

(c) Application for renewal of license ~~shall~~ must be made as provided in rules adopted by the board and on forms supplied by the board.

Sec. 23. Minnesota Statutes 2024, section 155A.30, subdivision 7, is amended to read:

Subd. 7. **Inspections.** All schools may be inspected as often as the board considers necessary to affirm compliance. The board ~~shall have~~ has the authority to assess the cost of the inspection to the school.

Sec. 24. Minnesota Statutes 2024, section 155A.30, subdivision 8, is amended to read:

Subd. 8. **List of licensed schools; availability.** The board ~~shall~~ must maintain and make available to the public a list of licensed schools.

Sec. 25. Minnesota Statutes 2024, section 155A.30, subdivision 9, is amended to read:

Subd. 9. **~~Separation of~~ School and ~~professional departments~~ salon separation.** A school ~~shall~~ must display in the entrance reception room of ~~its~~ the school's student section a sign prominently and conspicuously indicating that all work therein is ~~done~~ performed exclusively by students. ~~Professional departments of a school shall be run~~ Any salon or business on the same premises as a school must be operated as an entirely separate and distinct ~~businesses~~ business and ~~shall~~ must have a separate ~~entrances.~~ entrance from the school. If a salon or business is located on the same premises as a school: (1) staff of the salon or business must not provide services or training in the space used by the school; and (2) staff and students of the school must not provide services or training in the space used by the salon or business.

Nothing contained in sections 155A.21 to 155A.36 ~~shall prevent~~ prevents a school from charging for student work done in the school to cover the cost of materials used and expenses incurred in and for the operation of the school. All of the student work ~~shall~~ must be prominently and conspicuously advertised and held forth as being student work and not otherwise.

Sec. 26. Minnesota Statutes 2024, section 155A.30, subdivision 11, is amended to read:

Subd. 11. **Instruction requirements.** (a) Instruction may be offered for no more than ten hours per day per student.

(b) Instruction must be given within a licensed school building except as provided in paragraphs (c) and (d). ~~Online instruction is permitted for board-approved theory-based classes.~~

(c) A school may offer online instruction for theory-based portions of training. A school must not give practice-based ~~classes must not be given~~ training online.

(d) A school may offer activities related to the training for industry educational purposes outside of a school building when accompanied by an instructor for a maximum of one percent of the total training hours for a course.

Sec. 27. Minnesota Statutes 2024, section 155A.30, subdivision 12, is amended to read:

Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying for licensure under this section ~~shall~~ must maintain recognition as an institution of postsecondary study by meeting the following conditions, in addition to Minnesota Rules, part 2110.0310:

(1) the school must admit as regular students only those individuals who have a high school diploma or a diploma based on passing commissioner of education-selected high school equivalency tests or their equivalent, or who are beyond the age of compulsory education as prescribed by section 120A.22; and

(2) the school must be licensed by name and authorized by the Office of Higher Education and the board to offer one or more training programs beyond the secondary level.

Sec. 28. Minnesota Statutes 2024, section 155A.31, is amended to read:

155A.31 INSPECTIONS.

The board is responsible for inspecting salons and schools licensed pursuant to sections 155A.21 to 155A.36 to assure compliance with the requirements of sections 155A.21 to 155A.36. The board ~~shall~~ must direct board resources first to the inspection of those licensees who fail to meet the requirements of law, have indicated that they present a greater risk to the public, or have otherwise, in the opinion of the board, demonstrated that they require a greater degree of regulatory attention.

Sec. 29. Minnesota Statutes 2024, section 155A.32, is amended to read:

155A.32 DISPLAY OF LICENSE.

Every holder of a license granted by the board ~~shall~~ must display ~~it~~ the license in a conspicuous place in the place of business.

Sec. 30. Minnesota Statutes 2024, section 155A.33, subdivision 1, is amended to read:

Subdivision 1. **Proceedings.** If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 31. Minnesota Statutes 2024, section 155A.33, subdivision 2, is amended to read:

Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the District Court of Ramsey County in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court ~~shall~~ must grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application for examination, license, registration, or renewal.

Sec. 32. Minnesota Statutes 2024, section 155A.33, subdivision 3, is amended to read:

Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if authorized by the board, may issue and have served upon an unlicensed or unregistered person, or a holder of a license or registration, an order requiring the person to cease and desist from an act or practice that constitutes

a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or complaint committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board ~~shall~~ must issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Sec. 33. Minnesota Statutes 2024, section 155A.33, subdivision 4, is amended to read:

Subd. 4. **Licensing and registration actions.** (a) With respect to a person who is a holder of or applicant for a license or registration under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or registration, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, related to the practice of a profession regulated by this chapter, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of the profession;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of a profession regulated by this chapter;

(4) employed fraud or deception in obtaining a license, registration, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a license, registration, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's license or registration;

(7) advertised by means of false or deceptive statements;

(8) performed licensed services while consuming or under the influence of an intoxicant or controlled substance;

(9) demonstrated unprofessional conduct or practice;

(10) permitted an unlicensed person under the person's supervision or control to offer or practice services regulated by this chapter for compensation;

(11) practices, offered to practice, or attempted to practice by misrepresentation;

(12) failed to display a license or permit as required by rules adopted by the board;

(13) violated the board's rules governing infection control;

(14) refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request; or

(15) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a condition of continued licensure or registration, termination of suspension, reinstatement of licensure or registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) completes to the board's satisfaction continuing education as the board requires.

~~(c) Service of an order under this subdivision is effective if the order is served in person, or is served by certified mail to the most recent address provided to the board by the licensee, registrant, applicant, or counsel of record. The order must state the reason for the entry of the order.~~

(c) The board or complaint committee, if authorized by the board, may issue an order under this subdivision. The order may include conditions under paragraph (b) and civil penalties and fees permitted under subdivision 6. The order may require a person to cease and desist from acting in violation of paragraph (a). The order must include:

(1) a summary of the facts that constitute each violation;

(2) the applicable law that has been violated;

(3) the licensing or registration action taken under paragraph (a); and

(4) a notice to the individual that unless the individual requests a hearing within 30 days of service of the order, the order becomes a final order of the board.

(d) If an order under this subdivision assesses civil penalties, the order must include a statement that, when the order becomes final, the board may file and enforce any unpaid amount of a penalty as a judgment in district court without further notice or additional proceedings.

(e) A person issued an order under this subdivision may request a hearing within 30 days of the date the order is served. If a person's written request for a hearing is not received within 30 days of the date of service of the order, the order becomes a final order and is not subject to review by any court or agency. If a person submits to the board a timely request for hearing, the order is stayed pending a final order. The request for a hearing under this paragraph must:

(1) be in writing;

(2) provide the reason for the person's request for a hearing; and

(3) be mailed or delivered to the board within 30 days of service of the order.

(f) An order under this subdivision must be personally served or sent by first-class or certified mail to the most recent address provided to the board by the licensee or applicant according to Minnesota Rules, part 1400.5550, subparts 2 and 3.

~~(d)~~ (g) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

(h) Nothing in this chapter prevents the board from resolving any violation through informal disposition under section 14.59.

Sec. 34. Minnesota Statutes 2024, section 155A.33, subdivision 5, is amended to read:

Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, registrant, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or registrant. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or registrant.

(b) An order under this subdivision may (1) prohibit the licensee or registrant from engaging in the practice of a profession regulated by the board in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision, the licensee or registrant may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at the hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to ~~the Administrative Procedure Act~~ chapter 14. Evidence presented to the board or the licensee or registrant may be in affidavit form only. The licensee, registrant, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board ~~shall~~ must issue its order and, if the order continues the suspension, ~~shall~~ must schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge ~~shall~~ must issue a report within 30 days after the closing of the contested case hearing record. The board ~~shall~~ must issue a final order within 30 days of receiving the report.

Sec. 35. Minnesota Statutes 2024, section 155A.33, subdivision 6, is amended to read:

Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of up to $2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the ~~Office~~ Court of Administrative Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expenses incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 36. Minnesota Statutes 2024, section 155A.33, is amended by adding a subdivision to read:

Subd. 8. **Corrective action.** (a) When the board or complaint committee, if authorized by the board, determines that a complaint alleging that an applicant or a licensee violated this chapter, rules adopted under this chapter, or an order issued by the board may be appropriately resolved through corrective action, the board or complaint committee may enter into an agreement for corrective action with an applicant or a licensee.

(b) An agreement for corrective action must:

(1) be in writing;

(2) describe the facts upon which the agreement is based;

(3) describe the corrective action agreed upon by the board or complaint committee and the applicant or licensee; and

(4) state that the complaint upon which the agreement was based must be dismissed by the board or complaint committee when the board or committee finds that the applicant or licensee has successfully performed the corrective action.

(c) The board or complaint committee may determine that the applicant or licensee has successfully performed the corrective action if the applicant or licensee submits a request for dismissal that documents the applicant's or licensee's successful performance of the corrective action.

(d) An agreement under this subdivision is not disciplinary action. An agreement under this section is public data under chapter 13.

(e) The board may assess a fee on an applicant or a licensee to reimburse the board for costs related to the corrective action. The board must include a fee under this paragraph in the corrective action agreement.

(f) If an applicant or a licensee fails to successfully perform the corrective action within the time specified in the agreement, the matter may be resolved through any enforcement action authorized under this section.

Sec. 37. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "Board of Cosmetologist Examiners" to "Board of Cosmetology" wherever the term appears in Minnesota Statutes.

Sec. 38. **REPEALER.**

(a) Minnesota Statutes 2024, section 155A.275, is repealed.

(b) Laws 2017, First Special Session chapter 4, article 1, section 29, is repealed.

ARTICLE 16

STATE GOVERNMENT MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches ~~$2,852,098,000~~ $3,421,764,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

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

Sec. 2. **BRUCE ANDERSON VETERANS SERVICE BUILDING.**

The Veterans Service Building located at 20 West 12th Street in the city of St. Paul is renamed as the Bruce Anderson Veterans Service Building.

Sec. 3. **SIGNAGE COSTS.**

The commissioner of administration must pay for the cost of modifying or replacing signage as necessary to conform with section 2 using general fund appropriations available for operations under Laws 2025, chapter 39, article 1, section 11. The commissioner must not include these costs in determining lease rates for fiscal years 2028 and 2029 or otherwise pass the cost of signage on to tenants of the building in section 2.

Sec. 4. **REVISOR INSTRUCTION.**

The revisor of statutes must replace "Veterans Service Building" with "Bruce Anderson Veterans Service Building" wherever it appears in Minnesota Statutes and Minnesota Rules.

ARTICLE 17

MEDICAID FRAUD

Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state to subpoena and require the production of: (1) any records of: (i) telephone companies, cellular phone companies, and paging companies~~,~~; (ii) subscribers of private computer networks, including Internet service providers or computer bulletin board systems~~,~~; (iii) electric companies, gas companies, and water utilities~~,~~; (iv) chemical suppliers~~,~~; (v) hotels and motels~~,~~; (vi) pawn shops~~,~~; (vii) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and (viii) freight companies, self-service storage facilities, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~, and~~; (2)

wage and employment records relating to an investigation conducted under the attorney general's authority under section 256B.12; (3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies; (4) insurance records related to claim settlement relating to an investigation conducted under the attorney general's authority under section 256B.12; and (5) the banking, credit card, and financial records, including but not limited to a safe deposit, loan and account application and agreement, signature card, statement, check, transfer, account authorization, safe deposit access record, and documentation of fraud, that belong to the subject of an investigation conducted pursuant to the attorney general's authority under section 256B.12, whether the record is held in the investigation subject's name or in another person's name.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the county agency in all matters pertaining hereto. To prosecute under this chapter or sections ~~609.466~~ 609.467; 609.52, subdivision 2; and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 3. **[609.467] MEDICAL ASSISTANCE FRAUD.**

Subdivision 1. **Medical assistance fraud prohibited.** A person who does any of the following is guilty of medical assistance fraud and may be sentenced as provided in subdivision 2:

(1) acting with intent to defraud, executes or participates in, or attempts or conspires to execute or participate in, a scheme or artifice to obtain, by means of any false or fraudulent pretenses, representations, or promises, or concealment of any material fact, any money or credits relating to the payment of medical assistance funds under chapter 256B;

(2) acting with intent to defraud, presents, submits, tenders, offers, or participates in, or attempts or conspires to execute or participate in, the preparation of a claim for payment, claim for reimbursement, cost report, or rate application, knowing or having reason to know that any part of the claim, report, or application is ineligible for payment or reimbursement;

(3) acting with intent to defraud, knowingly provides false information or intentionally omits material information as part of any enrollment application, provider agreement, or ownership and management disclosure required by any state or federal law as a medical assistance provider under chapter 245A or 256B;

(4) owns, operates, manages, or exercises control over any entity receiving medical assistance funds, while knowing or having reason to know that the person has been suspended or prohibited from enrolling as a medical assistance provider by any state agency or under any state law, or is

excluded or prohibited from enrolling as a medical assistance provider by any federal agency or under any federal law;

(5) knowingly and intentionally permits another person to own, operate, manage, or exercise control over any entity receiving medical assistance funds, while knowing or having reason to know the other person is suspended or prohibited from enrolling as a medical assistance provider by any state agency or under any state law, or excluded or prohibited from enrolling as a medical assistance provider by any federal agency or under any federal law;

(6) falsely makes or alters any record relating to the delivery of medical assistance services, so that it purports to have been made by another or by the maker or alterer under an assumed or fictitious name, or at another time, or with different provisions, or by the authority of one who did not give such authority;

(7) acting with intent to defraud, presents, submits, tenders, offers, or participates in, or attempts or conspires to execute or participate in, the preparation of a claim for reimbursement for personal care assistant services, community first services and supports, or other services under chapter 256B, knowing or having reason to know that qualified professional supervision or other supervision required by state or federal law was not provided according to law; or

(8) after receiving a lawful request for records by any state agency or law enforcement agency, intentionally destroys, or attempts or conspires to destroy, medical, health care, and financial records required to be maintained under chapter 245A or 256B or rules adopted pursuant to chapter 245A or 256B.

Subd. 2. **Penalties.** (a) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

(b) A person who is convicted under subdivision 1 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 causes a loss to any victim or victims in an aggregate amount of more than $10,000, but not more than $100,000.

(c) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $100,000, or both, if the violation causes a loss to any victim or victims in an aggregate amount of more than $100,000, but not more than $1,000,000.

(d) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than $1,000,000, or both, if the violation causes a loss to any victim or victims in an aggregate amount of more than $1,000,000.

Subd. 3. **Failure to keep or maintain medical assistance records.** A person who submits a claim for reimbursement, claim for payment, claim for reimbursement cost report, or rate application and knowingly and intentionally fails to maintain medical, health care, and financial records as required under chapter 245A or 256B or rules adopted pursuant to chapter 245A or 256B is guilty of a gross misdemeanor.

Subd. 4. **Continuing offense.** For purposes of calculating the statute of limitations identified in section 628.26, any violation of subdivision 1 or 3 is a continuing offense. Any violation of subdivision 1 or 3 extends to any act committed during the course of the scheme, conspiracy, or conduct and is within the statute of limitations identified in section 628.26 so long as any part of the continuing scheme, conspiracy, or conduct comprising a violation occurred within the identified statute of limitations.

Subd. 5. **Venue.** Notwithstanding anything to the contrary in section 627.01, a violation of this section may be prosecuted in:

(1) the county where any part of the offense occurred; or

(2) the county where the entity who received a claim for payment, claim for reimbursement, cost report, or rate application is located.

Subd. 6. **Restitution.** The court may order a person convicted of violating this section to pay restitution for any costs, expenses, or losses resulting from the crime and for costs, expenses, or losses resulting from similar conduct that was related to the offense but was not charged. The court may order restitution for similar conduct that was related to the offense if the related conduct occurred within the applicable statute of limitations and the prosecutor provides notice of intent to seek restitution for that conduct at least five business days before the sentencing hearing. The offender may challenge restitution as provided in section 611A.045, subdivision 3. A dispute as to whether restitution is for similar conduct that was related to the offense must be resolved by the court by the preponderance of the evidence. The burden of demonstrating that the court may order restitution for any costs, expense, or loss described in this subdivision is on the prosecution.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2024, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

~~(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or~~

~~(iv)~~ (iii) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

~~(v)~~ (iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least $100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in clauses (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(A) made or was aware of the connection; and

(B) was aware that the connection was unauthorized;

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally, and without claim of right, takes motor fuel from a retailer without the retailer's consent and with intent to deprive the retailer permanently of possession of the fuel by driving a motor vehicle from the premises of the retailer without having paid for the fuel dispensed into the vehicle; or

(19) commits wage theft under subdivision 1, clause (13).

(b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove the vehicle from the premises of the retailer without having paid for the fuel permits the factfinder to infer that the driver acted intentionally and without claim of right, and that the driver intended to deprive the retailer permanently of possession of the fuel. This paragraph does not apply if: (1) payment has been made to the retailer within 30 days of the receipt of notice of nonpayment under section 604.15; or (2) a written notice as described in section 604.15, subdivision 4, disputing the

retailer's claim, has been sent. This paragraph does not apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been reported stolen before the theft of the fuel.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2025 Supplement, section 609.902, subdivision 4, is amended to read:

Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343; 609.344; 609.345; 609.42; 609.467; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a), clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528, if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, ~~or~~ a fraternal benefit society regulated under chapter 64B, or any state agency.

Sec. 6. 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~~ 609.467 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) 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) 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) 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) 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.

Sec. 7. **REPEALER.**

Minnesota Statutes 2024, section 609.466, is repealed.

ARTICLE 18

CAMPAIGN FINANCE

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 or less before the primary and reports due ten days or less before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000 that are not required by subdivision 5 or 5a or section 10A.202, 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 or less before the primary and reports due ten days or less before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000 that are not required by subdivision 5 or 5a or section 10A.202, 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 article is effective August 12, 2026, and applies to reports and statements due on or after that date.

ARTICLE 19

CLEMENCY PROVISIONS

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. This is a onetime appropriation.

ARTICLE 20

PUBLIC SAFETY

Section 1. **MINNESOTA VICTIMS OF CRIME ACCOUNT; TRANSFER.**

$1,000,000 in fiscal year 2027 is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund established under Minnesota Statutes, section 299A.708. This is a onetime transfer.

ARTICLE 21

PEACE OFFICER COMPENSATION

Section 1. 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 any 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~~ includes if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer ~~shall be~~ is 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~~ includes that the officer 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 that the officer died 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.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. **[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. 7. Minnesota Statutes 2024, section 299D.03, subdivision 2, is amended to read:

Subd. 2. **Salary and reimbursement.** (a) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, lieutenants, corporals, and sergeants hereinafter designated shall be known as patrol troopers.

(b) There may be appointed one lieutenant colonel; and such majors, captains, lieutenants, corporals, sergeants, and troopers as the commissioner deems necessary to carry out the duties and functions of the State Patrol. Persons in above-named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, lieutenants, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors.

(c) The salary rates for all State Patrol troopers, corporals, and sergeants shall be deemed to include $6 per day reimbursement for shift differential, meal and business expenses incurred by State Patrol troopers, corporals, and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars, and maintenance of home office.

Sec. 8. Minnesota Statutes 2024, section 299D.03, subdivision 2a, is amended to read:

Subd. 2a. **Salary ~~and benefits~~ survey.** (a) By January 1 of 2021, 2024, 2027, and ~~2030~~ every odd-numbered year thereafter, the legislative auditor must conduct a compensation ~~and benefit~~ survey of law enforcement officers in every police department:

(1) in a city with a population in excess of 25,000, located in a metropolitan county, as defined in section 473.121, subdivision 4, that is represented by a union certified by the Bureau of Mediation Services; or

(2) in a city of the first class.

The State Patrol must also be included in the survey.

(b) The legislative auditor must base the survey on compensation ~~and benefits~~ for the past completed calendar year. The survey must be based on full-time equivalent employees. The legislative auditor must calculate compensation using base salary, overtime wages, and premium pay. Premium pay is payment that is received by a majority of employees and includes but is not limited to education pay and longevity pay. The legislative auditor must not include any payments made to officers or troopers for work performed for an entity other than the agency that employs the officer or trooper, regardless of who makes the payment. ~~The legislative auditor must also include in the survey all benefits, including insurance, retirement, and pension benefits. The legislative auditor must include contributions from both the employee and employer when determining benefits.~~

(c) The legislative auditor must compile the survey results into a report. The report must show each department separately. For each department, the survey must include~~:~~

~~(1)~~ an explanation of the salary structure, and include minimum and maximum salaries for each range or step~~; and~~.

~~(2) an explanation of benefits offered, including the options that are offered and the employee and employer contribution for each option.~~

~~Wherever possible, the report must be designed so that the data for each department is in the same table or grid format to facilitate easy comparison.~~

(d) By January 15 of 2021, 2024, 2027, and ~~2030~~ every odd-numbered year thereafter, the legislative auditor must transmit the survey report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the State Patrol budget.

(e) It is the legislature's intent to use the information in this study to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol trooper, captain, and lieutenant salaries. Nothing in this subdivision precludes the collective bargaining of salaries or compensation in excess of salaries or compensation supported by the salary survey. Salary adjustments for supervisory ranks, including corporals, sergeants, lieutenants, and captains, must be proportionate to the salary adjustments made for patrol troopers resulting from the survey. This subdivision does not expand the scope of the salary survey beyond patrol troopers. For purposes of this paragraph, "patrol troopers" has the meaning given in subdivision 2, paragraph (a).

Sec. 9. **[299D.14] VOLUNTEER CHAPLAINS.**

Subdivision 1. **Volunteers permitted.** The commissioner or the chief supervisor of the State Patrol may recruit, train, and accept, without regard to personnel laws or rules, the services of individuals without compensation as volunteer chaplains to support members of the State Patrol in their roles and responsibilities under this chapter.

Subd. 2. **Incidental expenses.** The chief supervisor may provide for the incidental expenses of a volunteer chaplain, including transportation, lodging, and subsistence.

Subd. 3. **Application of law.** Except as otherwise provided in this section, a volunteer chaplain is not a state employee and is not subject to the provisions of law relating to state employment,

including but not limited to those governing hours of work, rates of compensation, leave, unemployment benefits, and state employee benefits.

Sec. 10. Laws 2024, chapter 104, article 1, section 2, the effective date, is amended to read:

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment ~~and expires January 1, 2032~~. This section applies to contracts entered into on or after the effective date ~~but before January 1, 2032~~.

Sec. 11. **PUBLIC SAFETY OFFICER DEATH BENEFIT RETROACTIVE CLAIMS.**

(a) Notwithstanding Minnesota Statutes, section 299A.47, claims for benefits arising out of deaths occurring before July 1, 2026, that are eligible due to the retroactive changes made in this act are timely if filed before July 1, 2028. Claims for benefits arising out of deaths that occur on or after July 1, 2026, are subject to the limitation period under Minnesota Statutes, section 299A.47.

(b) Notwithstanding Minnesota Statutes, section 299A.47, the commissioner of public safety must:

(1) review previously denied benefit claims for deaths occurring between February 1, 2020, and the effective date of this act;

(2) determine whether the applicant is eligible for benefits based on the retroactive application of the amendments made in this act; and

(3) award applicable benefits according to Minnesota Statutes, sections 299A.41 to 299A.46.

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

ARTICLE 22

CONSUMER PROTECTION RESTITUTION ACCOUNT

Section 1. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 3, is amended to read:

Subd. 3. **Money deposited in the account.** ~~50~~ Fifty percent of all money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose up to the first ~~$5,000,000~~ $10,000,000 each fiscal year must be deposited into the account. The remaining 50 percent of money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose must be deposited into the general fund. For purposes of this subdivision, the amount of money recovered in a consumer enforcement action that must be deposited into the fund is determined at the time when the money otherwise would have been deposited into the general fund.

Sec. 2. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 5, is amended to read:

Subd. 5. **Distributions to eligible consumers.** (a) Money in the account may be distributed to any eligible consumer with an identified amount of unpaid consumer enforcement public compensation. ~~If the amount of money in the account is insufficient to pay all distributions to eligible~~

~~consumers with an identified amount of unpaid consumer enforcement public compensation, the~~ Money must be distributed first to consumers eligible for unpaid consumer enforcement public compensation based on a consumer enforcement action with a final order of the oldest date.

~~(b) If the attorney general projects that there will be insufficient funding to pay all eligible consumers from the funds available on an ongoing basis, the attorney general may recommend to the legislature that the legislature prescribe a formula for prorating or capping payments to eligible consumers so that more eligible consumers will receive payment from the fund.~~

(b) If money is distributed to an eligible consumer, the distribution is limited to:

(1) the full identified amount of unpaid consumer enforcement public compensation, up to $50,000; and

(2) 50 percent of the identified amount of unpaid consumer enforcement public compensation over $50,000, or $50,000, whichever is less."

Delete the title and insert:

"A bill for an act relating to state government finance; appropriating and transferring money for prekindergarten through grade 12 education, higher education, agriculture, state government, environment and natural resources, energy, renewable development, jobs and economic development, labor, public safety, and corrections; making policy and technical changes related to those appropriations; deleting land from a state park; authorizing the sale of certain state lands; modifying provisions relating to peace officer compensation; renaming a state building; establishing a battery stewardship program; modifying the Board of Barber Examiners and Board of Cosmetologist Examiners; modifying Medicaid fraud, campaign finance, clemency provisions, and consumer protection restitution account; authorizing administrative rulemaking; imposing penalties; requiring reports; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 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; 16A.152, subdivision 2; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18K.02, subdivisions 5, 6; 18K.04, subdivision 1; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.891, subdivision 2; 28A.0752; 29.21, by adding a subdivision; 29.26; 32D.30, subdivision 5; 41A.19; 115A.03, by adding subdivisions; 115A.554; 115A.9157; 115C.08, subdivision 4; 115C.09, by adding a subdivision; 116.92, subdivision 6, by adding a subdivision; 122A.20, subdivisions 1, 2; 124D.98, by adding a subdivision; 126C.10, subdivision 14; 136A.64, subdivision 1; 136A.675, by adding a subdivision; 136A.822, subdivision 9; 136A.823, subdivision 1; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, by adding subdivisions; 154.05; 154.07, subdivision 1, by adding a subdivision; 154.08; 154.09; 154.11, subdivision 1, by adding a subdivision; 155A.20; 155A.23, subdivisions 4, 5, 8, 9, 10, 18, by adding a subdivision; 155A.25, subdivisions 1a, 3, 5, 7; 155A.27, subdivisions 5a, 10, by adding subdivisions; 155A.271, subdivision 2; 155A.29, subdivision 2; 155A.30, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 12; 155A.31; 155A.32; 155A.33, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 177.27, subdivision 4; 181.03, subdivision 6; 260E.15; 260E.28, subdivision 1; 299A.41, subdivisions 3, 4, by adding subdivisions; 299D.03, subdivisions 2, 2a; 325E.125, subdivision 5; 325E.1251, subdivision 2; 471.6161, by adding a subdivision; 583.215; 609.352, subdivisions 1, 4, by adding subdivisions; 609.52, subdivision 2; 638.09, by adding a subdivision; 638.12, subdivision 2; 638.14, subdivision

5; 638.16, subdivision 1; Minnesota Statutes 2025 Supplement, sections 8.37, subdivisions 3, 5; 17.1017, subdivision 9; 17.133, subdivisions 1, 2; 28A.04, subdivision 1; 28A.08, subdivision 3; 126C.10, subdivision 3; 126C.15, subdivision 2; 136A.69, subdivision 1; 136A.821, subdivision 5; 136A.824, subdivisions 1, 2; 136A.833, subdivision 2; 216B.16, subdivision 15; 256B.12; 260E.065, by adding a subdivision; 260E.20, subdivision 1; 609.902, subdivision 4; 628.26; Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended; Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended; Laws 2023, chapter 70, article 20, section 12, as amended; Laws 2024, chapter 90, article 1, section 52; Laws 2024, chapter 104, article 1, section 2; Laws 2025, chapter 34, article 1, section 2, subdivisions 2, 3, as amended, 4, as amended; Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5; article 12, section 8; proposing coding for new law in Minnesota Statutes, chapters 21; 115A; 181; 216B; 216C; 299A; 299D; 609; repealing Minnesota Statutes 2024, sections 18K.02, subdivision 7; 18K.03, subdivision 2; 28A.075; 115A.9155; 115A.961, subdivisions 1, 2, 3; 136A.657; 136A.834, subdivisions 2, 3, 4; 155A.275; 325E.125, subdivisions 1, 2, 2a, 3, 4; 325E.1251, subdivision 1; 609.466; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5; Laws 2017, First Special Session chapter 4, article 1, section 29; Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, 5; 2100.5300; 2100.6000."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 4504, 5052, 3298, and 4476 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2433 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Coleman introduced--

S.F. No. 5252: A bill for an act relating to health; authorizing the operation of cigar bars; authorizing on-sale intoxicating liquor licenses to cigar bars; amending Minnesota Statutes 2024, sections 144.4167, by adding a subdivision; 340A.404, subdivision 1.

Referred to the Committee on Health and Human Services.

Senator Westlin introduced--

S.F. No. 5253: A bill for an act relating to campaign finance; modifying certain requirements for reports and disclaimers; amending Minnesota Statutes 2024, sections 10A.04, subdivision 6; 211B.04, subdivisions 3, 5; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections.

Senator Hawj introduced--

S.F. No. 5254: A bill for an act relating to capital investment; appropriating money for public health infrastructure for the Metropolitan Mosquito Control District; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Draheim introduced--

S.F. No. 5255: A bill for an act relating to capital investment; appropriating money for clean water and wastewater infrastructure improvements in the city of Granada; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Hoffman and Maye Quade introduced--

S.F. No. 5256: A bill for an act relating to corrections; authorizing partnerships for dental services provided in correctional facilities; requiring the commissioner of corrections to improve correctional facilities' dental services; requiring a report; appropriating money.

Referred to the Committee on Judiciary and Public Safety.

MOTIONS AND RESOLUTIONS

Senator Duckworth moved that the name of Senator Nelson be added as a co-author to S.F. No. 3338. The motion prevailed.

Senator Kupec moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Putnam be added as chief author to S.F. No. 3955. The motion prevailed.

Senator Rasmusson moved that his name be stricken as a co-author to S.F. No. 4476. The motion prevailed.

Senator Heintzeman moved that the name of Senator Lang be added as a co-author to S.F. No. 5121. The motion prevailed.

Senator Hoffman introduced --

Senate Resolution No. 82: A Senate resolution commending Jeff Brown for his service as a police officer.

Referred to the Committee on Rules and Administration.

Senators Hoffman, Fateh, Abeler, and Wiklund introduced --

Senate Resolution No. 83: A Senate resolution designating May 3 to 9, 2026, as Tardive Dyskinesia Awareness Week.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Murphy, Chair of the Committee on Rules and Administration, designated S.F. No. 4067 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 4067: A bill for an act relating to public safety; regulating the ownership, possession, and sale of semiautomatic military-style assault weapons and large-capacity magazines; modifying provisions for possessing dangerous weapons in schools, negligently storing firearms, and reporting on firearms discharge by law enforcement; reenacting the binary trigger ban; criminalizing ghost guns; modifying and clarifying the extreme risk protection order law; encouraging schools to implement local anonymous threat reporting systems; modifying reimbursement rates for mental health providers in the medical assistance program; requiring reports; providing criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 609.66, subdivisions 1d, 1f; 609.666, subdivisions 1, 2; 624.712, subdivision 7, by adding a subdivision; 624.7131, by adding a subdivision; 624.7132, subdivisions 3, 4, 5, 9, 10, 12, 15; 624.7134, subdivisions 2, 3, 4, 5; 624.7141, subdivisions 1, 2, 3; 624.7171, subdivisions 1, 4, 5; 624.7172; 624.7173; 624.7174; 624.7175; 624.7176, subdivisions 1, 2; 624.7177, subdivision 2; 624.7178, subdivisions 1, 4; 626.553, subdivision 2; Minnesota Statutes 2025 Supplement, sections 256B.761, by adding a subdivision; 624.7132, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121A; 624; repealing Minnesota Statutes 2024, sections 256B.0625, subdivision 38; 609.667.

Senator Mathews moved to amend S.F. No. 4067 as follows (A50):

Page 2, delete subdivision 2

Renumber the subdivisions in sequence

Page 2, line 17, delete "1,600,000" and insert "2,084,000"

Page 2, delete lines 18 to 34

Page 3, delete lines 1 and 2

Page 3, line 3, delete "(c)"

Page 3, line 4, delete "$1,000,000" and insert "$2,084,000"

Page 4, line 18, before the period, insert ", paragraph (a), clause (1), (4), (6), or (7)"

Page 6, line 7, before the period, insert ", paragraph (a), clause (1), (4), (6), or (7)"

Page 6, delete article 2

Pages 17 to 38, delete sections 2 to 22

Page 38, delete article 5

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 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: Pratt, Rasmusson, and Weber.

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 Hawj cast the negative vote on behalf of the following Senators: Carlson and Fateh.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 4067 was read the third time and placed on its final passage.

CALL OF THE SENATE

Senator Mohamed imposed a call of the Senate for the balance of the proceedings on S.F. No. 4067. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the passage of the bill.

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 Hawj cast the affirmative vote on behalf of the following Senators: Carlson and Fateh.

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: Rasmusson and Weber.

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.

APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 4760: Senators Latz, Oumou Verbeten, and Limmer.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Xiong moved that his name be stricken as chief author and the name of Senator Marty be added as chief author to S.F. No. 4059. The motion prevailed.

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 Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Frentz moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

S.F. No. 4059: A bill for an act relating to state government; appropriating money for state government agencies; modifying prior appropriations; modifying provisions relating to the Board of Barber Examiners and to the Board of Cosmetology; requiring creation of a centralized certified payroll reporting portal and database for all state projects covered by prevailing wage requirements; amending Minnesota Statutes 2024, sections 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, by adding subdivisions; 154.05; 154.07, subdivision 1, by adding a subdivision; 154.08; 154.09; 154.11, subdivision 1, by adding a subdivision; 155A.20; 155A.23, subdivisions 4, 5, 8, 9, 10, 18, by adding a subdivision; 155A.25, subdivisions 1a, 3, 5, 7; 155A.27, subdivisions 5a, 10, by adding subdivisions; 155A.271, subdivision 2; 155A.29, subdivision 2; 155A.30, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 12; 155A.31; 155A.32; 155A.33, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; Laws 2023, chapter 70, article 20, section 12, as amended; Laws 2025, chapter 39, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapter 16C; repealing Minnesota Statutes 2024, section 155A.275; Laws 2017, First Special Session chapter 4, article 1, section 29; Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, 5; 2100.5300; 2100.6000.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREKINDERGARTEN THROUGH GRADE 12 EDUCATION

Section 1. Minnesota Statutes 2024, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

(1) immoral character or conduct;

(2) failure, without justifiable cause, to teach for the term of the teacher's contract;

(3) gross inefficiency or willful neglect of duty;

(4) failure to meet licensure requirements; or

(5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Professional Educator Licensing and Standards Board or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children, or grooming under section 609.352, interference with privacy under section 609.746 or harassment or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the court of appeals or the supreme court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Professional Educator Licensing and Standards Board is delegated the authority to suspend or revoke coaching licenses.

Sec. 2. Minnesota Statutes 2024, section 122A.20, subdivision 2, is amended to read:

Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school board, charter school executive director, or charter school authorizer must report to the Professional Educator Licensing and Standards Board, the Board of School Administrators, or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction over the teacher's or administrator's license, when its teacher or administrator is discharged or resigns from employment after a charge is filed with the school board under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after charges are filed that are grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns while an investigation is pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7; or when a teacher or administrator is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E. The report

must be made to the appropriate licensing board within ten days after the discharge, suspension, or resignation has occurred. The licensing board to which the report is made must investigate the report for violation of subdivision 1 and the reporting board, administrator, or authorizer must cooperate in the investigation. Notwithstanding any provision in chapter 13 or any law to the contrary, upon written request from the licensing board having jurisdiction over the license, a board, charter school, authorizer, charter school executive director, or school superintendent shall provide the licensing board with information about the teacher or administrator from the district's files, any termination or disciplinary proceeding, any settlement or compromise, or any investigative file. Upon written request from the appropriate licensing board, a board or school superintendent may, at the discretion of the board or school superintendent, solicit the written consent of a student and the student's parent to provide the licensing board with information that may aid the licensing board in its investigation and license proceedings. The licensing board's request need not identify a student or parent by name. The consent of the student and the student's parent must meet the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent form to the district. Any data transmitted to any board under this section is private data under section 13.02, subdivision 12, notwithstanding any other classification of the data when it was in the possession of any other agency.

(b) The licensing board to which a report is made must transmit to the Attorney General's Office any record or data it receives under this subdivision for the sole purpose of having the Attorney General's Office assist that board in its investigation. When the Attorney General's Office has informed an employee of the appropriate licensing board in writing that grounds exist to suspend or revoke a teacher's license to teach, that licensing board must consider suspending or revoking or decline to suspend or revoke the teacher's or administrator's license within 45 days of receiving a stipulation executed by the teacher or administrator under investigation or a recommendation from an administrative law judge that disciplinary action be taken.

(c) The Professional Educator Licensing and Standards Board and Board of School Administrators must report to the appropriate law enforcement authorities a revocation, suspension, or agreement involving a loss of license, relating to a teacher or administrator's inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement authority" means a police department, county sheriff, or Tribal police department. A report by the Professional Educator Licensing and Standards Board to appropriate law enforcement authorities does not diminish, modify, or otherwise affect the responsibilities of a school board or any person mandated to report abuse under chapter 260E.

(d) A police department or county sheriff must notify the appropriate licensing board when a teacher is criminally charged with an offense listed in subdivision 1, paragraph (b), or is charged with any other offense not listed in this section that requires the person to register as a predatory offender under section 243.166.

Sec. 3. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to read:

Subd. 6. **Exclusion of 2025-2026 reading assessments.** Notwithstanding subdivisions 2 and 3, for purposes of calculating proficiency aid and growth aid for fiscal years 2027, 2028, and 2029 only, tests administered during the 2025-2026 school year must be excluded from the three-year average proficiency percentage and from the three-year average growth percentage. The commissioner may adjust the dollar amounts for proficiency aid and growth aid for fiscal years 2027, 2028, and

2029 only to ensure that the total aid amount under this section is not less than the amount estimated for these fiscal years under the February 2026 forecast.

Sec. 4. Minnesota Statutes 2025 Supplement, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) For fiscal years 2024, 2025, and 2026, the compensatory education revenue for each building in the district equals the formula allowance minus $839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(c) For fiscal year 2027 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance.

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph ~~(c)~~ (b), for fiscal year 2026, if the sum of the amounts calculated under paragraph ~~(c)~~ (b) is less than $838,947,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $838,947,000.

(g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the sum of the amounts calculated under paragraph (c) is less than $857,152,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals $857,152,000.

(h) Notwithstanding paragraph (c), for fiscal year 2027 only, the compensatory education revenue for each building equals the greater of:

(1) the amount calculated for the building under paragraphs (c) and (g); or

(2) the building minimum amount calculated under paragraph (i).

(i) For purposes of paragraph (h), the building minimum amount equals the product of:

(1) the compensatory education revenue for the building for fiscal year 2026;

(2) the lesser of one or the ratio of the number of pupils enrolled in the building on October 1, 2025, to the number of pupils enrolled in the building on October 1, 2024; and

(3) 0.7746.

Sec. 5. Minnesota Statutes 2024, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

(1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes;

(3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;

(4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers and gender-neutral single-user restrooms, locker room privacy stalls, or other spaces with privacy features, including single-user shower stalls, changing stalls, or other single-user facilities;

(5) for a surplus school building that is used substantially for a public nonschool purpose;

(6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.297;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software;

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs;

(26) to pay the costs of supplies and equipment necessary to provide access to menstrual products at no charge to students in restrooms and as otherwise needed in school facilities; ~~and~~

(27) to pay the costs of the opiate antagonists required under section 121A.224~~.~~<u>; and</u>

<u>(28) to pay utility service costs.</u>

<u>EFFECTIVE DATE.</u> <u>This section is effective for revenue in fiscal year 2027 and later.</u>

Sec. 6. Minnesota Statutes 2025 Supplement, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 80 percent of its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received

permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) A district or cooperative may allocate no more than 20 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

(f) For fiscal years 2026 ~~and~~, 2027, and 2028 only, notwithstanding the percentages specified in paragraphs (a) and (b), a district may allocate up to 40 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board, consistent with the purposes listed in subdivision 1.

Sec. 7. Minnesota Statutes 2025 Supplement, section 260E.065, is amended by adding a subdivision to read:

Subd. 4. **Commissioner of children, youth, and families; education-related mandated reporter training module on grooming.** (a) By August 1, 2027, the commissioner of children, youth, and families must update the existing mandated reporter training that is specifically applicable to professionals or professionals' delegates engaged in education, to include but not be limited to:

(1) the requirement to report allegations of maltreatment involving students ages 18 through 21, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma; and

(2) addressing grooming and threatened sexual abuse, including the duty to report grooming as maltreatment under section 260E.06, and how to identify the signs of grooming.

(b) The commissioner must consult with the Department of Education while updating the training.

Sec. 8. Minnesota Statutes 2024, section 260E.15, is amended to read:

260E.15 SCREENING GUIDELINES.

(a) Child protection staff, supervisors, and others involved in child protection screening shall follow the guidance provided in the maltreatment screening guidelines issued by the commissioner

and, when notified by the commissioner, shall immediately implement updated procedures and protocols.

(b) Any modification to the screening guidelines must be preapproved by the commissioner and must not be less protective of children than is mandated by statute. The county agency must consult with the county attorney before proposing modifications to the commissioner. The guidelines may provide additional protection for children but must not limit reports that are screened in or provide additional limits on consideration of reports that were screened out in making a screening determination.

(c) The screening guidelines issued by the commissioner must not limit an agency's ability to screen in and investigate a report of alleged maltreatment that occurred more than three years prior to the date of the report.

Sec. 9. Minnesota Statutes 2025 Supplement, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the

agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any family assessment, noncaregiver human trafficking assessment, or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(j) Nothing in this chapter shall prevent a local welfare agency or local law enforcement agency from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 10. Minnesota Statutes 2024, section 260E.28, subdivision 1, is amended to read:

Subdivision 1. **Immediate investigation for alleged maltreatment in a facility.** (a) The commissioner of human services; children, youth, and families; health; or education, whichever is responsible for investigating the report, shall immediately investigate if the report alleges that:

(1) a child who is in the care of a facility as defined in section 260E.03 is the victim of maltreatment in a facility by an individual in that facility or has been the victim of maltreatment in a facility by an individual in that facility within the three years preceding the report; or

(2) a child is the victim of maltreatment in a facility by an individual in a facility defined in section 260E.03, subdivision 6, while in the care of that facility within the three years preceding the report.

(b) The commissioner of the agency responsible for investigating the report shall arrange for the transmittal to the commissioner of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. The commissioner of the agency responsible for investigating the report or local welfare agency may interview any children who are or have been in the care of a facility under investigation and the children's parents, guardians, or legal custodians.

(c) In conducting an investigation under this section, the commissioner has the powers and duties specified for a local welfare agency under this chapter.

(d) Nothing in this chapter shall prevent the agency responsible for screening and investigating allegations of maltreatment from investigating alleged maltreatment that occurred more than three years prior to the date of the maltreatment report.

Sec. 11. Minnesota Statutes 2024, section 471.6161, is amended by adding a subdivision to read:

Subd. 9. **School districts and charter schools; reports.** (a) For purposes of this subdivision, an entity offering or providing group health insurance includes both health plan companies and third-party administrators of health plans.

(b) By July 15, 2026, and July 1 each year thereafter, the Legislative Budget Office must send an annual survey regarding health insurance costs to all school districts and charter schools in this state.

(c) The annual survey must be completed by the school district or charter school using data from its most recent plan year, be returned to the Legislative Budget Office by September 1 of each year, and provide the following information about school employees who meet the definition of public employee under section 179A.03, subdivision 14:

(1) the total number of salaried employees;

(2) the total number of nonsalaried or hourly employees;

(3) for those participating in the group health insurance offered by the school district or charter school, the total number of people, as of May 1, in each of the following categories:

(i) salaried employees;

(ii) nonsalaried or hourly employees; and

(iii) retirees and any other persons who continue to receive coverage through the school district's or charter school's health plan after separation from employment;

(4) the total number of employees not participating in the health plan;

(5) the total number of insured persons covered by the health plan;

(6) the total dollar amount the school district or charter school paid in health insurance premiums on behalf of all employees, not including employee contributions transmitted to an entity providing group health insurance coverage or payments made on behalf of former employees;

(7) if a school district or charter school funds an individual coverage health reimbursement arrangement, the total amount contributed by the school district or charter school;

(8) the total amount employees paid in health insurance premiums;

(9) an accounting of all forms of compensation, either direct or indirect, including but not limited to fees, commissions, incentives, or rewards of any kind paid to a broker or agent, regardless of whether it was billed as a flat fee, or percentage of premium and whether paid directly by the school district or charter school or through the entity offering group health insurance;

(10) the name of any entity providing group health insurance the school district or charter school has contracted with and the expiration date of the contract;

(11) the date range of the most recent plan year;

(12) for each type of health plan offered to employees of a school district or charter school:

(i) the name of the plan and its actuarial value, using the minimum value calculator information required in bid proposals under section 471.6161, subdivision 8, paragraph (d), clause (2), and

described in the Code of Federal Regulations, title 45, section 156.145. The plan data must also delineate amounts for single, family, and two-party plans, if offered;

(ii) the monthly contribution by the school district or charter school for each employee group per plan, including contributions to individual coverage health reimbursement arrangements;

(iii) the amount per month an employee must pay in health insurance premiums for the plan; and

(iv) the plan design for each type of plan including:

(A) in-network deductibles;

(B) in-network out-of-pocket limits;

(C) out-of-network limits;

(D) co-payment;

(E) the employee's share of coinsurance; and

(F) the prescription annual out of pocket maximum, if separate from subitem (B);

(13) the dollar or percentage cost for all prescription levels, commonly generic or tier 1, formulary or tier 2, and nonformulary or tier 3;

(14) the total amount of annual contributions, per employee, paid by the school district or charter school to an individual coverage health reimbursement arrangement or health savings account, excluding amounts contributed solely to a health care retirement account;

(15) the total amount assessed by the entity providing group health insurance as an administrative fee and the rate of the fee assessed;

(16) if a school district is self-insured, the total amount that is in a district set aside health insurance reserve account; and

(17) any additional items as determined by the Legislative Budget Office.

(d) The Legislative Budget Office must compile information from the surveys described above and provide a report by December 1 of each year to the chairs and ranking minority members of the legislative committees with jurisdiction over education and health insurance. The Legislative Budget Office must post the report, including the executive summary and all underlying data received from school districts and charter schools, on its public website. Data posted on the Legislative Budget Office's website must be in a standardized format.

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

Sec. 12. Minnesota Statutes 2024, section 609.352, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(a) "child" means a person 15 years of age or younger;

(b) "pattern" means two or more instances of conduct;

~~(b)~~ (c) "sexual conduct" means sexual contact of the individual's primary genital area, sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and

~~(c)~~ (d) "solicit" means commanding, entreating, or attempting to persuade a specific person in person, by telephone, by letter, or by computerized or other electronic means.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2c. **Grooming.** (a) A person 18 years of age or older commits the felony offense of grooming, and may be sentenced as provided in subdivision 4, if the person:

(1) expresses the desire or intent to engage in sexual conduct with a child; and

(2) engages in a deliberate pattern of conduct to methodically develop a false trusting relationship with the child that is intended to strategically manipulate the child to engage in sexual conduct with the person at a future time, regardless of whether any sexual conduct occurs.

(b) For purposes of this subdivision, a deliberate pattern of conduct may include but is not limited to:

(1) communications or conversations sharing desires about sexual intimacy or sexual contact between the person and the child;

(2) normalizing sexualized physical conduct or attempts to initiate such conduct;

(3) watching the child undress or appearing undressed in front of the child; or

(4) use of threats or control in an attempt to ensure secrecy or compliance from the child.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2d. **Violations by persons in positions of authority.** A person who commits any of the acts described in subdivisions 2 through 2c is guilty of a felony if:

(1) the person is in a current or recent position of authority, as defined in section 609.341, subdivision 10, over the victim;

(2) the person is more than 36 months older than the victim; and

(3) the victim is under the age of 18 years.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to read:

Subd. 2e. **School violations.** A person who commits any of the acts described in subdivisions 2 through 2c is guilty of a felony if:

(1) the person is a licensed educator employed or contracted to provide service for an elementary, middle, or secondary school; and

(2) the victim, regardless of age, is enrolled as a student at the school.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2024, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 ~~or~~, 2a, 2c, 2d, or 2e is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than $10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 17. Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended by Laws 2024, chapter 115, article 8, section 4, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$	1,000,000	.....	2024
$	1,000,000	.....	2025

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) These appropriations are available until June 30, 2029.

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

Sec. 18. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5, is amended to read:

Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms:

$	1,000,000	.....	2026
$	1,000,000	.....	2027

(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to $75,000 of the appropriation in each year is available for grant administration.

(e) By February 1 of each even-numbered year, the commissioner must ~~annually~~ report to the legislative committees with jurisdiction over kindergarten through grade 12 education on the number of grants that were awarded each year and the number of grant applications that were unfunded each year.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(g) These appropriations are available until June 30, 2031.

Sec. 19. Laws 2025, First Special Session chapter 10, article 12, section 8, is amended to read:

Sec. 8. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 2. **Department.** (a) For the Department of Education:

$	46,508,000	.....	2026
	~~41,196,000~~		
$	42,647,000	.....	2027

Of these amounts:

(1) $405,000 each year is for the Board of School Administrators;

(2) $1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) $720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) $480,000 each year is for the Department of Education's mainframe update;

(5) $6,000,000 in fiscal year 2026 only is for legal fees and costs associated with: (i) litigation in which the department, commissioner, or department employee operating in their official capacity is the defendant, respondent, appellant, or relator; (ii) litigation initiated by the department, commissioner, or department employee operating in their official capacity to stop payment or recover funds in cases of alleged malfeasance or misuse; (iii) expenses for required administrative legal activities, including data practices operations and appeals from administrative decisions; and (iv) legal staff required for clauses (i), (ii), and (iii);

(6) $2,359,000 each year is for modernizing district data submissions;

(7) $573,000 each year is for engagement and rulemaking related to Specific Learning Disability;

(8) $2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

(9) $800,000 each year is for audit and internal control resources;

(10) $175,000 each year is for administrative expenses for unemployment aid, and, in consultation with the Department of Employment and Economic Development, guidance to educational institutions eligible for reimbursement under Minnesota Statutes 2024, section 124D.995, including written guidance for school employees on eligibility for unemployment benefits between academic terms;

(11) $550,000 each year is for General Counsel and Inspector General staff and case management and fiscal analysis technology to support program compliance and integrity; ~~and~~

(12) $572,000 each year is for administration of the Summer Electronic Benefits Transfer Program; and

(13) $1,451,000 in fiscal year 2027 only is for increasing the capacity of the student maltreatment program. The base for the allocation under this clause is $1,441,000 in fiscal year 2028 and $1,442,000 in fiscal year 2029 and later.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2028 ~~and later~~ is ~~$41,326,000~~ $42,767,000. The base for fiscal year 2029 and later is $42,768,000.

Sec. 20. **BASE ADJUSTMENT; DEPARTMENT OF CORRECTIONS.**

The commissioner of management and budget must increase the total budget base established in law for incarceration and prerelease services at the Department of Corrections by $13,000 for fiscal year 2028 and by $35,000 for fiscal year 2029 and later for bed costs related to criminal grooming offenses.

Sec. 21. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

$25,489,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of education for additional general education aid.

Sec. 22. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

$18,000 in fiscal year 2026 and $74,000 in fiscal year 2027 are appropriated from the general fund to the Legislative Coordinating Commission for the Legislative Budget Office to complete the annual report required by Minnesota Statutes, section 471.6161, subdivision 9. The base for this appropriation is $36,000 in fiscal year 2028 and later.

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

Sec. 23. **SCHOOL DISTRICT FUND TRANSFERS.**

Subdivision 1. **Ivanhoe Public Schools.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 142D.11, subdivision 9, on June 30, 2026, Independent School District No. 403, Ivanhoe, may permanently transfer up to $68,000 from its early childhood family education reserve balance in the community service fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

Subd. 2. **Maple Lake Public Schools.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 881, Maple Lake Public Schools, may permanently transfer up to $1,800,000 from its building construction fund to the reserved account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

Subd. 3. **Moorhead Area Public Schools.** (a) Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2026, Independent School District No. 152, Moorhead Area Public Schools, may permanently transfer up to $80,114 from its restricted fund balance in the community service fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

(b) Notwithstanding Minnesota Statutes, section 123B.595, subdivisions 10, 11, and 12; 123B.79; or 123B.80, on June 30, 2026, Independent School District No. 152, Moorhead Area Public Schools, may permanently transfer up to $150,388 from its long-term facilities maintenance reserve account in the general fund to its undesignated balance in the general fund, provided that the school board approves the transfer.

Subd. 4. **West St. Paul-Mendota Heights-Eagan.** Notwithstanding Minnesota Statutes, section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, may permanently transfer up to $4,500,000 from its

building construction fund to the reserve account for operating capital in the general fund without making a levy reduction, provided that the school board approves the transfer.

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

ARTICLE 2

HIGHER EDUCATION APPROPRIATIONS

Section 1. **APPROPRIATION; OFFICE OF HIGHER EDUCATION.**

$52,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of the Office of Higher Education for the state grant program under Minnesota Statutes, section 136A.121. This appropriation is in addition to the appropriation in Laws 2025, First Special Session chapter 5, article 1, section 2, subdivision 2. This is a onetime appropriation.

ARTICLE 3

HIGHER EDUCATION POLICY

Section 1. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1a, paragraph (a);

(5) all current promotional and recruitment materials and advertisements; ~~and~~

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

(iv) a description of all school facilities;

(v) a description of all current course offerings;

(vi) all requirements for satisfactory completion of courses, programs, and degrees;

(vii) the school's policy about freedom or limitation of expression and inquiry;

(viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;

(ix) the school's policy about refunds and adjustments;

(x) the school's policy about granting credit for prior education, training, and experience;

(xi) the school's policies about student admission, evaluation, suspension, and dismissal; and

(xii) the school's disclosure to students on the student complaint process under section 136A.672; and

(7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1a, paragraph (b).

Sec. 2. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 3. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. At the end of each fiscal year, the office must review the total amount of registration fees collected and the total costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) ~~to (d)~~ and (c) for new registrations.

(b) A new school must pay registration fees based on the institution's total full-time equivalent enrollment in the following amounts:

(1) $5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

(4) $15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) $20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

(c) A new school must pay registration fees in an amount equal to the fee under paragraph (b), plus fees for each nondegree program or degree as follows:

nondegree program	$250
degree program	$750

~~(d) In addition to the fees under paragraphs (b) and (c), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

~~(e)~~ (d) The annual renewal registration fee is based on an institution's total full-time equivalent enrollment in the following amounts:

(1) $1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;

(2) $3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

(3) $5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) $7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

~~(f) In addition to the fee under paragraph (e), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 4. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Private career school does not extend to:

(1) public postsecondary institutions with a physical presence in Minnesota;

(2) postsecondary institutions registered under sections 136A.61 to 136A.71;

(3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a~~; 136A.657;~~, or 136A.658 due to the nature of the institution's programs;

(4) schools exclusively engaged in training physically or mentally disabled persons;

(5) courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) programs contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant;

(7) schools with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) schools licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;

(9) review classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) programs ~~in the fine arts provided by organizations~~ exempt from taxation under section 290.05 and registered with the attorney general under chapter 309~~. For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment~~; or

(12) classes, courses, or programs intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 5. Minnesota Statutes 2024, section 136A.822, subdivision 9, is amended to read:

Subd. 9. **Fees and terms of license.** An application for an initial license under sections 136A.821 to 136A.833 shall be accompanied by ~~a nonrefundable~~ an application fee as provided in section 136A.824 that is sufficient to recover, but not exceed, the administrative costs of the office. At the end of each fiscal year, the office must review the total amount of initial licensure application fees collected and the total administrative costs of the office for initial licensures.

All licenses shall expire one year from the date issued by the office, except as provided in section 136A.823.

Sec. 6. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** Application for renewal of a license must be made at least 60 days before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a ~~nonrefundable~~ fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office. At the end of each fiscal year, the office must review the total amount of renewal licensure application fees collected and the total administrative costs of the office for renewal licensures.

Sec. 7. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure application is:

(1) $3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) $1,500 for a private career school licensed by another state agency and seeking a limited license exclusively in order to participate in state financial aid; and

(3) $3,730, plus $500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

~~(b) In addition to the fee under paragraph (a), a fee of $600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 8. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school, the license renewal fee is $3,160; and

(2) for a private career school licensed by another state agency and that also has a limited license with the office exclusively in order to participate in state financial aid, the license renewal fee is $1,500.

(b) If a license renewal application is not received by the office by the expiration of the current license, a late fee of $100 per business day, not to exceed $3,000, shall be assessed.

~~(c) In addition to the fee under paragraph (a), a fee of $600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed~~

~~application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 9. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended to read:

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

(1) ~~private career schools engaged exclusively in the teaching of avocational programs that are engaged primarily for personal development, recreation, or remedial education, and are not generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office;~~

~~(2)~~ classes, courses, or programs providing 40 or fewer clock hours of instruction; and

~~(3)~~ (2) private career schools providing training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed $500.

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2024, sections 136A.657; and 136A.834, subdivisions 2, 3, and 4, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are repealed.

ARTICLE 4

AGRICULTURE APPROPRIATIONS

Section 1. **APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.**

$80,000 in fiscal year 2026 is appropriated from the general fund to the board of directors of the Agricultural Utilization Research Institute for legal costs. This is a onetime appropriation and is available until June 30, 2029.

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

Sec. 2. Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended by Laws 2024, chapter 126, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	16,643,000	14,587,000
(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of		

each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) $350,000 the first year and $350,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2026 and each year thereafter.

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

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

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

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

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

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

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

(i) $100,000 the first year and $100,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.

(j) $1,950,000 the first year and $1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:

(1) at least $850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota

milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;

(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

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

(k) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

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

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

(n) $50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and

well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.

(o) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(p) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration.

(q) $1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.

(r) $1,084,000 the first year and $500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.

(s) $275,000 the first year is for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(t) $1,425,000 the first year and $1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.

(u) $150,000 the first year and $150,000 the second year are for administrative support for the Rural Finance Authority.

(v) The base in fiscal years 2026 and 2027 is $150,000 each year to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.

(w) $1,200,000 the first year and $930,000 the second year are to maintain the current level of service delivery. The base for this

appropriation is $1,065,000 in fiscal year 2026 and $1,065,000 in fiscal year 2027 and each year thereafter.

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

(y) $1,000,000 the first year and $1,000,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(z) $222,000 the first year and $322,000 the second year are for meat processing training and retention incentive grants under section 5. By December 1 each year in 2026 and 2027, the commissioner must submit a report

to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including award amounts to each partner organization, how much of each award was used, the types of expenses paid for with the funds, and the number of employees served. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation and is available until June 30, 2027.

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

(bb) $300,000 the second year is to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055. This is a onetime appropriation.

(cc) $25,000 the first year is for the credit market report. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(dd) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

Sec. 3. Laws 2025, chapter 34, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Protection Services**

Appropriations by Fund		
		~~21,207,000~~
General	20,828,000	21,457,000
Remediation	399,000	399,000

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding of the voluntary cleanup program.

(b) $639,000 the first year and $639,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2027, for soil health financial assistance grants are available until June 30, 2029.

(c) $275,000 the first year and $250,000 the second year are for compensation for livestock destroyed or crippled by a wolf under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2025. If the amount in the first year is insufficient, the amount in the second year is available in the

first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal money to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff. The base for this appropriation is $175,000 in fiscal year 2028 and each year thereafter.

(d) $255,000 the first year and $230,000 the second year are for compensation for crop or fence damage caused by elk under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year for grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. The base for this appropriation is $155,000 in fiscal year 2028 and each year thereafter.

(e) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.

(f) $750,000 the first year and $750,000 the second year are for additional meat and poultry inspection services. The commissioner is encouraged to seek inspection waivers, match federal money,

and offer more online inspections for the purposes of this paragraph. This is a onetime appropriation.

(g) $500,000 the first year and $500,000 the second year are for grants to counties to support county agricultural inspectors. The commissioner may use up to three percent of the appropriation each year for administration. This is a onetime appropriation. County agricultural inspectors and county-designated employees must annually submit an application, on a form approved by the commissioner, to be eligible for funding during a given year. The commissioner must equally divide available grant money among eligible counties. To be eligible for grants under this section, a county must employ a county agricultural inspector or a county-designated employee who:

(1) has attended training for new county agricultural inspectors offered by the commissioner;

(2) coordinates with the commissioner to review applicable laws and enforcement procedures;

(3) compiles and submits to the commissioner local weed inspector annual report data;

(4) conducts an annual meeting and training for local weed inspectors; and

(5) assists the commissioner with control programs and other agricultural programs when requested under Minnesota Statutes, section 18.81, subdivision 1b, as directed by the county board.

(h) $250,000 the first year and $250,000 the second year are appropriated to establish and administer the biofertilizer innovation and efficiency program ~~under Minnesota Statutes, section 18C.113~~. The commissioner may use up to 6.5 percent of this appropriation for

costs incurred to administer the program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of fiscal year 2026 does not cancel and is available until June 30, 2027. This is a onetime appropriation.

~~(j)~~ (i) $75,000 the first year is to conduct an evaluation of the practice performance and economic performance of the Olmsted County groundwater protection and soil health initiative, including the cover crop program, alternative crops program, and haying, grazing, and pasture enhancement program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may contract with an independent third party to conduct the evaluation.

~~(k)~~ (j) $420,000 the first year and $924,000 the second year are to support current services.

Sec. 4. Laws 2025, chapter 34, article 1, section 2, subdivision 3, as amended by Laws 2025, First Special Session chapter 11, section 11, is amended to read:

		~~23,301,000~~
Subd. 3. **Agricultural Marketing and Development**	23,551,000	24,301,000

(a) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement program, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.

(b) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner

may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(c) $100,000 the first year and $100,000 the second year are for mental health outreach and support to farmers, ranchers, farm workers and employees, and others in the agricultural community and profession and for farm and farm worker safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $50,000 in fiscal year 2028 and each year thereafter.

(d) $700,000 the first year and $700,000 the second year are for the local food purchasing assistance grant program under article 3, section 35. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year.

(e) $1,000,000 the second year is to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

~~(e)~~ (f) $18,257,000 the first year and $18,007,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The base for this appropriation is $17,449,000 in fiscal year 2028 and each year thereafter.

~~(f)~~ (g) Except as provided in paragraph ~~(g)~~ (h), the commissioner may allocate the appropriation in paragraph ~~(e)~~ (f) each year among the following areas: facilitating the startup, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems, with preference given to hemp fiber processing equipment; facilitating the startup, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; supporting the commercialization of an innovative material additive utilizing agricultural coproducts or waste streams to produce fiber-based barrier packaging to reduce perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics in packaging products; and good agricultural practices and good handling practices certification assistance. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to 7.5 percent of the appropriation in paragraph ~~(e)~~ (f) for costs incurred to administer the program.

~~(g)~~ (h) Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:

(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal

amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) $3,000,000 the first year and $3,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph;

(3) $2,750,000 the first year and $2,750,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 20 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit ~~a~~ the report ~~on~~ under Minnesota Statutes, section 41A.12, subdivision 3, that includes metrics of the biofuels infrastructure financial assistance program ~~by January 15~~ each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and

finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(4) $350,000 the first year and $250,000 the second year are for grants to facilitate the startup, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed $200,000;

(5) $1,594,000 the first year and $1,544,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education settings, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education and child care providers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base for this appropriation is $1,636,000 in fiscal year 2028 and each year thereafter. At the commissioner's discretion, for state administration of federal cooperative agreements for purchasing Minnesota grown and raised foods for schools, child care providers, food banks, and other institutions, the commissioner may use an amount of state funds equal to no more than 7.5 percent of the total federal funds awarded to the state. The commissioner shall expend any available

federal administrative funds awarded for this purpose before using state funds;

(6) up to $1,750,000 the first year and up to $1,750,000 the second year are for grants to facilitate the development of urban agriculture, including projects related to youth education, community and economic development, value-added processing, and vocational training;

(7) $1,000,000 the first year and $1,000,000 the second year are for the food retail improvement and development program under Minnesota Statutes, section 17.1017;

(8) up to $200,000 the first year and up to $200,000 the second year are for cooperative development grants under Minnesota Statutes, section 17.1016;

(9) $250,000 the first year and $150,000 the second year are for the protecting livestock grant program for producers to support the installation of measures to prevent the transmission of avian influenza. For the appropriation in this clause, a grant applicant must document a cost-share of 20 percent. An applicant's cost-share amount may be reduced up to $2,000 to cover time and labor costs. This is a onetime appropriation; and

(10) up to $525,000 the first year and up to $525,000 the second year are to award AGRI Works grants to institutions and organizations to provide regional and statewide services. Preference shall be given to legislatively created entities and organizations that enhance agricultural, horticultural, or rural community and economic development, marketing, and promotion, and research and education. A grant award under this clause must not exceed $200,000. Grants made under this paragraph are subject to the requirements in Minnesota Statutes, sections 16B.98 and 16B.981. This is a onetime appropriation.

~~(h)~~ (i) Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in paragraph ~~(e)~~ (f) does not cancel at the end of the second year and is available until June 30, 2029. Appropriations encumbered under contract on or before June 30, 2029, for agricultural growth, research, and innovation grants are available until June 30, 2032. At the end of fiscal year 2027, the commissioner must prioritize any money resulting from canceled contracts to be used for AGRI Works grants under paragraph ~~(g)~~ (h), clause (10).

Sec. 5. Laws 2025, chapter 34, article 1, section 2, subdivision 4, as amended by Laws 2025, First Special Session chapter 11, section 12, is amended to read:

		~~11,145,000~~
Subd. 4. **Administration and Financial Assistance**	14,179,000	9,895,000

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

(b) $300,000 the first year and $300,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D. The base for this appropriation is $250,000 in fiscal year 2028 and each year thereafter.

(c) $1,250,000 the first year ~~and $1,250,000 the second year are~~ is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with no more than $100,000 in annual gross farm product sales and eligible applicants who are producers of industrial hemp, cannabis, or one or more of the

following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year ~~and appropriations encumbered under contract by June 30, 2027, are available~~ and any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2029. ~~The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter~~ This is a onetime appropriation.

(d) $1,000,000 the first year and $1,000,000 the second year are for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased with grant money must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. The commissioner may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this paragraph may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year.

(e) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business

Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 7.5 percent of the grant awarded under this paragraph for administration.

(f) $1,000,000 the first year ~~and $1,000,000 the second year are~~ is to expand the Emerging Farmers Office and provide services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the emerging farmer working group established under Minnesota Statutes, section 17.055, subdivision 1.

(g) $137,000 the first year and $203,000 the second year are to support current services.

(h) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.

(i) $3,000,000 the first year is for transfer to the Public Facilities Authority for a grant to First District Association to acquire land for and to design, engineer, construct, equip, and furnish a wastewater treatment project. This appropriation is in addition to the

appropriation in Laws 2023, chapter 71, article 1, section 15, subdivision 7. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

~~(k)~~ (j) $50,000 the first year is to be awarded as a grant in a competitive bid process to an entity that is not a for-profit entity to conduct a study of market and workforce factors that may contribute to the incorrect marking for the installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities. The study must include recommendations to the legislature and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027.

~~(r)~~ (k) $50,000 the first year is to conduct a study and develop recommendations for establishing an incentive-based program to support and encourage agricultural retailers in promoting 4R nutrient management practices. The 4R nutrient management practices include: the right source of nutrients, at the right rate and right time, in the right place.

(1) As part of the study, the department must evaluate strategies for leveraging cost-share programs, including the feasibility of coordinating with the Agricultural Water Quality Certification Program and other efforts related to the state's Nutrient Reduction Strategy.

(2) The commissioner must submit a report detailing its findings, including potential funding sources and proposal outlines for funding requests where appropriate. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over

agriculture and environment by March 15, 2026.

(l) $1,250,000 the second year is to award and administer farm down payment assistance grants under Minnesota Statutes, section 17.133, with priority given to eligible applicants with annual gross farm product sales between $1,000 and $100,000. Of this appropriation, up to 50 percent may be awarded by lottery to priority applicants who possess a purchase agreement as of June 30, 2026. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the second year does not cancel and is available until June 30, 2030. The base for this appropriation is $1,000,000 in fiscal year 2028 and each year thereafter.

~~(s)~~ (m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

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

ARTICLE 5

AGRICULTURE POLICY

Section 1. Minnesota Statutes 2025 Supplement, section 17.1017, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit ~~an annual~~ the report ~~on~~ under section 41A.12, subdivision 3, that includes metrics of the food retail improvement and development program ~~by January 15 of~~ each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The ~~annual~~ report shall include~~, but not be limited to,~~ a summary of the following metrics:

(1) the number and types of projects financed;

(2) the amount of dollars leveraged or matched per project;

(3) the geographic distribution of financed projects;

(4) the number and types of technical assistance recipients;

(5) the demographics of the areas served;

(6) the costs of the program;

(7) the number of SNAP dollars spent;

(8) any increase in retail square footage;

(9) the number of loans or grants to businesses owned by women and Black, Indigenous, or Persons of Color; and

(10) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Sec. 2. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 1, is amended to read:

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

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

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

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

(3) has earned at least $1,000 in farm income or has evidence of farming experience;

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

~~(3)~~ (5) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland; and

~~(4)~~ (6) is not, and whose spouse is not, a family member of the owner of the farmland that the individual intends to acquire. "Family member" has the meaning given in section 267(c)(4) of the Internal Revenue Code.

(c) "Evidence of farming experience" means that an individual has:

(1) completed an approved farm business management program;

(2) a four-year degree in an agriculture-related field; or

(3) at least three years of experience managing a comparable farm.

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

~~(d)~~ (e) "Incubator farm" means a farm where:

(1) individuals are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purpose of honing skills and launching a farm business; and

(2) a majority of the individuals farming the small parcels of land grow industrial hemp, cannabis, or one or more of the following specialty crops as defined by the United States Department of Agriculture for purposes of the specialty crop block grant program: fruits and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture crops, floriculture crops, and nursery crops.

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

(1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or

(2) the individual rents the land from an incubator farm.

~~(f)~~ (g) "Limited market access" means the individual has gross sales of no more than $100,000 per year from the sale of farm products.

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

Sec. 3. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 2, is amended to read:

Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants of up to 30 percent of the purchase price of a farm, with a maximum grant of $20,000 per eligible farmer. Each award must be matched with at least $8,000 of other funding. Grants under this subdivision may be awarded by a randomized selection process after applications are collected over a period of no less than 30 calendar days. An eligible farmer must commit to own and farm the land purchased with assistance provided under this section for at least five years. For the first five years, each recipient must verify gross farm income of at least $1,000 or demonstrate investment of at least $1,000 in farm business infrastructure, equipment, perennial crops, or livestock. For each year that a grant recipient does not own and farm the land during the five-year period, the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

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

Sec. 4. Minnesota Statutes 2024, section 18J.01, is amended to read:

18J.01 DEFINITIONS.

(a) The definitions in this section; chapters 18G, 18H, 18K, 27, 223, 231, and 232; and sections ~~18G.02, 18H.02, 18K.02, 27.01, 223.16, 231.01, and 232.21~~ 21.111 to 21.125 and 21.80 to 21.92 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 and 21.80 to 21.92.

Sec. 5. Minnesota Statutes 2024, section 18J.02, is amended to read:

18J.02 DUTIES OF COMMISSIONER.

The commissioner shall administer and enforce this chapter, chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections 21.111 to 21.125, and 21.80 to 21.92; and associated rules.

Sec. 6. Minnesota Statutes 2024, section 18J.03, is amended to read:

18J.03 CIVIL LIABILITY.

A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.111 to 21.125 or 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 7. Minnesota Statutes 2024, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, grain, household goods, general merchandise, produce, or other living or nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 8. Minnesota Statutes 2024, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) sampling of sites, seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, grain, household goods, general merchandise, produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may threaten public health or the environment.

Sec. 9. Minnesota Statutes 2024, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Sec. 10. Minnesota Statutes 2024, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Sec. 11. Minnesota Statutes 2024, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Sec. 12. Minnesota Statutes 2024, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules occur or the

commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

(1) report the violation for prosecution;

(2) institute seizure proceedings; or

(3) issue a withdrawal from distribution, stop-sale, or other order.

Sec. 13. Minnesota Statutes 2024, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 14. Minnesota Statutes 2024, section 18J.06, is amended to read:

18J.06 FALSE STATEMENT OR RECORD.

A person must not knowingly make or offer a false statement, record, or other information as part of:

(1) an application for registration, license, certification, or permit under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules;

(2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules; or

(3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 15. Minnesota Statutes 2024, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules.

Sec. 16. Minnesota Statutes 2024, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111

to 21.125 or 21.80 to 21.92; or associated rules and notify the owner, custodian, other responsible party, or registrant.

(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Sec. 17. Minnesota Statutes 2024, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.111 to 21.125 or 21.80 to 21.92; or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 18. Minnesota Statutes 2024, section 18J.09, is amended to read:

18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary account under section 18H.17, industrial hemp account under section 18K.07, ~~or~~ seed potato inspection account under section 21.115, seed inspection account under section 21.92, or grain buyers and storage account under sections 223.17 and 232.22.

Sec. 19. Minnesota Statutes 2024, section 18K.02, subdivision 5, is amended to read:

Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction of plant substances other than cannabinoids, and ~~packaging~~ pressing. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting. Processing does not include extraction of cannabinoids or the production of artificially derived cannabinoids as defined in section 342.01, subdivision 6.

Sec. 20. Minnesota Statutes 2024, section 18K.02, subdivision 6, is amended to read:

Subd. 6. **Processing location.** "Processing location" means any area, building, plant, or facility registered with and approved by the commissioner in which a licensee converts raw industrial hemp into a marketable product.

Sec. 21. Minnesota Statutes 2024, section 18K.04, subdivision 1, is amended to read:

Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a license from the commissioner before (1) growing industrial hemp, (2) processing industrial hemp, or (3) researching industrial hemp.

(b) To obtain a license under paragraph (a), a person must apply to the commissioner in the form prescribed by the commissioner and must pay the annual registration and inspection fee established by the commissioner in accordance with section 16A.1285, subdivision 2.

(c) For a license to grow or process industrial hemp, the license application must include the name and address of the applicant and the legal description of the land area or areas where industrial hemp will be grown or processed by the applicant and any other information required under Code of Federal Regulations, title 7, part 990.

~~(d) For a license to process industrial hemp, the license application must include the name and address of the applicant, the legal description of the processing location, and any other information required by the commissioner.~~

~~(e)~~ (d) A licensee is responsible for compliance with the license requirements irrespective of the acts or omissions of an authorized representative acting on behalf of the licensee.

~~(f)~~ (e) When an applicant has paid the fee and completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application.

~~(g)~~ (f) A person licensed under paragraph (a) to grow industrial hemp is presumed to be growing industrial hemp for commercial or research purposes.

Sec. 22. Minnesota Statutes 2024, section 21.111, is amended to read:

21.111 DEFINITIONS.

Subdivision 1. **Scope.** When used in sections 21.111 to ~~21.122~~ 21.125 the terms defined in this section shall have the meanings ascribed to them.

~~Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by the potato plants are examined by or under the authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records, including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.~~

Subd. 3. **Certified.** "Certified" means that the potatoes ~~were~~ have been inspected while growing in the field and, when possible, again after being harvested, and ~~were thereafter duly certified by or under the authority of the commissioner, as provided~~ the potatoes meet the requirements in sections 21.111 to ~~21.122, and as provided by rules adopted and published by the commissioner~~ 21.125. For seed potatoes produced in ~~a lab~~ an indoor facility or greenhouse, certified means that~~:~~

~~(1)~~ the seed potato ~~lab~~ facilities, ~~and the lab's~~ procedures, and protocols have been examined under the authority of the commissioner~~; and~~.

~~(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122.~~

~~Subd. 3a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.122. Any agreement may provide for field inspections, shipping point inspections, winter tests, and other certification functions to be carried out by personnel employed by either entity according to methods determined by the certification entities of the respective areas. The commissioner may extend seed potato certification services to states where growers wish to grow certified seed potatoes and the state does not have a seed potato certification program. Any agreement must be reported to the chairs of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.~~

Subd. 3b. **Certified seed potatoes.** "Certified seed potatoes" means potatoes that have been produced, graded, sacked or placed in bulk, inspected, and certified in accordance with this chapter.

Subd. 3c. **Class.** "Class" means the seed quality level related to compliance with tolerances for diseases and varietal purity.

Subd. 3d. **Clone.** "Clone" means a unit of seed potatoes that is the progeny of one plant, which has been tested to become eligible to produce Generation 1 class seed potatoes.

Subd. 3e. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's designee.

Subd. 3f. **Crop.** "Crop" means all lots produced on a farm in one year.

Subd. 3g. **Department.** "Department" means the Department of Agriculture.

Subd. 3h. **Explant.** "Explant" means an in vitro potato plant or a plantlet that is produced by rooting an excised tip of a tuber sprout or an axillary bud from a growing plant and that serves as a parent for a whole clone or accession of micropropagated plants or plantlets.

Subd. 3i. **Farm.** "Farm" means a potato-growing enterprise. Farm includes all land, equipment, storage facilities, and laborers used to produce potatoes.

Subd. 3j. **Field.** "Field" means a plot of land on a farm where potatoes are grown.

Subd. 3k. **Inspected.** (a) For plants growing in a field, "inspected" means that the commissioner has examined the plants in the field where the plants are grown and has visually assessed the plants for disease and factors impacting quality.

(b) For harvested potatoes, inspected means that the commissioner has observed the tubers and, when requested, the commissioner has evaluated the tubers for quality and conditions described in section 21.125.

(c) For seed potatoes produced in a facility or greenhouse, inspected means that the commissioner has examined the seed potatoes and the facility's records, including records related to the facility's procedures and protocols.

Subd. 3l. **Lot.** "Lot" means a group of seed potatoes of one variety, planted in one continuous plot, grown on the same farm, and physically separated from other lots while being grown and stored.

Subd. 3m. **Material in maintenance.** "Material in maintenance" means propagative material, plantlets, or tubers that are maintained, not multiplied, under controlled laboratory conditions.

Subd. 3n. **Roguing.** "Roguing" is the process of removing infected plants from a field of certified seed potatoes.

Subd. 3o. **Stand.** "Stand" is the live plant population in a certified seed potato lot.

Subd. 5. **Seed potatoes.** "Seed potatoes" means potatoes used, sold, offered or exposed for sale, or held with intent to sell or as a sample representing any lot or stock of potatoes offered or exposed for sale or held with intent to sell within this state, for the purpose of planting.

Subd. 6. **Person.** "Person" includes an individual, a partnership, a corporation, a company, a society, an association, and ~~firms~~ a firm.

Subd. 7. **Physically separated.** "Physically separated" means separated by at least the width of one row and markings such as flags at every corner of the lot.

Subd. 8. **Rejected.** "Rejected" means that a field or lot fails to meet the certification standards in this chapter.

Subd. 9. **Tuber units.** "Tuber units" means the separate pieces of one tuber that are planted consecutively in two or more hills in a row.

Subd. 10. **Winter testing.** "Winter testing" means growing out and visually inspecting a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease.

Sec. 23. Minnesota Statutes 2024, section 21.112, is amended by adding a subdivision to read:

Subd. 1a. **Interstate cooperation.** In order to best use state resources, the commissioner may enter into agreements with other seed potato certification entities to carry out the purposes of sections 21.111 to 21.125. An agreement under this subdivision may provide for field inspections, shipping point inspections, winter testing, and other certification functions to be carried out by personnel employed by either the commissioner or other seed potato certification entities according to methods determined by the seed potato certification entities. The commissioner may extend seed potato certification services to a state where growers wish to grow certified seed potatoes and where the state does not have a seed potato certification program. Any agreement under this subdivision must be reported to the chairs and ranking minority members of the legislative committees responsible for the budget or policy of the seed potato inspection program and to the commissioner of management and budget.

Sec. 24. Minnesota Statutes 2024, section 21.113, is amended to read:

21.113 SHIPPING POINT CERTIFICATES ~~OF INSPECTION~~; CERTIFICATES OF ORIGIN; AND BULK CERTIFICATES.

Subdivision 1. **Shipping point inspections.** (a) The commissioner shall issue shipping point certificates of inspection only when seed potatoes have been inspected while growing in the field and again after being harvested.

~~(b) For seed potatoes produced in a lab, the commissioner shall issue certificates of inspection only after:~~

~~(1) the seed potato lab facility and the lab's records have been inspected; and~~

~~(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab.~~

~~(c)~~ (b) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and any other information as may be prescribed by ~~rules adopted and published under~~ sections 21.111 to ~~21.122~~ 21.125.

Subd. 2. **Other certificates.** (a) The use of a certificate of origin requires the approval of the seller and the purchaser and must only be used for intrastate shipments between certified seed potato producers. The certificate of origin must contain information considered necessary by the commissioner and must at a minimum identify the producer, receiver, variety, classification, quantity, date of shipment, and lot of the seed potatoes. The limitation of warranty as described in paragraph (c) must not include any representation of the condition of the potatoes at the time of shipment. A certificate of origin must only be used for intrastate shipment if a shipping point inspection is not available. Use of a certificate of origin must be approved by the commissioner prior to shipment.

(b) A bulk certificate must include the date of issuance, class, grade, lot number, and approximate weight of the load.

(c) A certification does not represent a warranty of any kind, express or implied, including merchantability, as to the quality of the crop produced from the certified seed potatoes. A certification must only represent that the seed potatoes were produced, graded, sacked or placed in bulk, and inspected in accordance with this chapter. A certification under this subdivision must not include any representation of the condition of the potatoes at the time of shipment.

Sec. 25. Minnesota Statutes 2024, section 21.115, is amended to read:

21.115 FEES; SEED POTATO INSPECTION ACCOUNT.

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to ~~21.122~~ 21.125, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the agricultural fund and credited to the seed potato inspection account of the commissioner, which account is hereby created and appropriated for carrying out the purposes of sections 21.111 to ~~21.122~~ 21.125. Interest, if any, received on deposits of these moneys shall be credited to the account, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 26. Minnesota Statutes 2024, section 21.117, is amended to read:

21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS; AMENDMENTS.

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to ~~21.122 and the rules adopted and published thereunder~~ 21.125.

(b) If a grower wishes to withdraw ~~a field or lab~~ an application after having made a timely application for inspection and such withdrawal is requested before the field or ~~lab~~ facility inspection has been made, the fee paid shall be refunded to said grower. A grower must submit a withdrawal request in writing and include a reason for withdrawal. A grower must remove withdrawn acres from production before the first field inspection.

(c) If a grower wishes to amend an application after submitting a timely application for inspection, the grower must submit the request in writing, including a reason for the amendment.

Sec. 27. Minnesota Statutes 2024, section 21.119, is amended to read:

21.119 USE OF CERTAIN TERMS FORBIDDEN; EXCEPTIONS.

It shall be unlawful to use or employ the term "certified" or the term "inspected," or any term or terms conveying a meaning substantially equivalent to the meaning of either of these terms, either orally or in writing, printing, marking, or otherwise in reference to or in connection with, or in advertising or characterizing or labeling seed potatoes or the containers thereof, unless such potatoes shall have been duly inspected and certified pursuant to the provisions of sections 21.111 to ~~21.122~~ 21.125.

Sec. 28. Minnesota Statutes 2024, section 21.1195, is amended to read:

21.1195 MINIMUM STANDARDS FOR PLANTING.

(a) Seed potatoes may not be planted in the state in lots ~~of~~ totaling ten or more acres unless the seed meets the minimum disease standards prescribed by the commissioner. Seed potatoes may meet the standards by being certified in accordance with this chapter and rules adopted by the commissioner, or under the certification program of another state or province which, in the judgment of the commissioner, provides equivalent assurances of seed potato quality. Seed potatoes may be planted without certification if they have had at least field inspection as required for certified seed potatoes, have passed the field inspection standards of disease tolerance, and are free from ring rot. ~~A person that plants seed potatoes in violation of this section is subject to a civil penalty of $20 per acre for each acre or part of an acre planted in violation of this section.~~ Failure to maintain complete and accurate records in accordance with this section ~~or rules adopted by the commissioner is an additional violation resulting in a separate civil penalty of $200 for each failure~~ is a violation and subject to enforcement under chapter 18J.

(b) If there is not available to be planted in this state, in any year, a sufficient volume of potato seed meeting certified seed potato disease standards, in any or all varieties, the commissioner may, upon application by one or more growers, permit seed that does not comply with this section to be planted for that growing season if the seed does not pose a serious disease threat.

(c) Each grower shall keep records of each lot of seed potatoes planted. For each growing season, the records must include, by field, the variety, planting location, number of acres planted, and source of the seed potatoes. Each grower shall register fields and file records as prescribed by the commissioner. All records must be made available for inspection by the commissioner or the commissioner's agents during normal business hours.

(d) In addition to the enforcement powers and penalties in this section, the commissioner may issue a subpoena to a grower in order to compel delivery of records which are required under this section. These subpoenas are enforceable by any court of competent jurisdiction.

Sec. 29. **[21.123] SEED POTATO CERTIFICATION.**

Subdivision 1. **Eligibility.** In order to produce certified seed potatoes, a grower must comply with the following requirements:

(1) a grower must ensure that potatoes meet the tolerances prescribed by this chapter and the potatoes have been inspected by the commissioner while growing in a field;

(2) a grower must ensure that all potatoes planted on the grower's farm have been entered for certification by the commissioner;

(3) a grower must ensure that each lot is grown while physically separated from other lots. Markers must be visible to a person from any position in the field;

(4) a grower must submit an application for certification before June 16 each year on forms provided by the commissioner. The commissioner must charge a ten percent late registration fee to a grower who submitted an application postmarked after June 15 and before July 1. The commissioner may extend the deadline due to special circumstances, such as a natural disaster, that make it impractical or impossible for planting to be completed by the deadline and that affect an area or large number of growers. A grower must make a request for an extension in writing before June 16;

(5) an application for certification must include a North American Health Certificate and a shipping point certificate, bulk seed certificate, or certificate of origin. The commissioner may accept an incomplete application for certification;

(6) an application for certification must demonstrate that the seed potatoes being entered for certification originated from a class system in Minnesota or another state or province under the supervision of another certifying agency; and

(7) a grower must comply with sections 21.111 to 21.125. A grower's violation of sections 21.111 to 21.125 is cause for the commissioner to reject the grower's field or lot. A grower must not sell or label potatoes as certified seed potatoes when the potatoes were grown in a rejected field or lot.

Subd. 2. **Certification process.** (a) As part of the certification process, the commissioner must visually inspect sample plants from each field and lot belonging to the grower, except that the commissioner is not required to visually inspect sample plants and tubers when certifying prenuclear class potatoes.

(b) For seed potato varieties that do not exhibit visible symptoms of a specific pathogen, the commissioner must subject the seed potatoes to laboratory tests to determine the level of a pathogen in a seed lot. Testing under this paragraph may occur during the growing season, the storage season, or winter testing.

(c) The commissioner may not accept an application for certification from a grower in a community or county without sufficient acreage for total inspection fee charges to cover the cost of wages and expenses of the commissioner to complete an inspection. The commissioner may make a determination of sufficient acreage under this paragraph before conducting an inspection as part of the certification process.

(d) The commissioner must not inspect a field for certification unless both the planted seed potato variety and the particular planted lot have been authorized by the commissioner. When considering the authorization of a particular seed potato variety for planting as certified seed potatoes, the commissioner must consider scientific evidence and the expert opinions of inspectors.

(e) The following classes of seed potatoes are eligible for planting as certified seed potatoes: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), and experimental class seed potatoes. The commissioner may authorize the planting of Certified (C) class or Generation 6 (G6) class seed potatoes if the commissioner determines that the seeds do not pose a serious threat of disease to the public.

Subd. 3. **Bacterial ring rot or potato spindle tuber viroid.** If the commissioner finds the presence of bacterial ring rot or potato spindle tuber viroid in a field or lot, the commissioner must reject the entire field or lot. If the commissioner discovers a single plant in a field or a tuber in storage that is infected with bacterial ring rot or potato spindle tuber viroid, the commissioner must reject the entire field or lot where the plant was grown. If the commissioner has not found bacterial ring rot or potato spindle tuber viroid in a field or lot, the field or lot is not necessarily free from either disease.

Subd. 4. **Winter testing.** (a) In order to detect certain virus diseases, the commissioner must conduct winter testing of a sample from each class seeking eligibility for recertification, except PN and experimental classes. The commissioner must grow out and visually inspect a representative sample of tubers from each seed lot for stand, vigor, varietal purity, and disease. If, during a visual inspection, a plant shows signs of potato virus Y or potato leafroll virus, or if the plant is of a variety that does not express visual symptoms of infection, the commissioner must ensure that a sample of the plant is lab tested for potato virus Y and potato leafroll virus. The commissioner must determine whether a field or lot contains the threshold amount of disease permitted under section 21.124, subdivision 9. The commissioner must include any lot that passes winter testing in the approved list of certified seed lots eligible for recertification.

(b) If the commissioner determines that a winter test of a lot or field has a serious malfunction, the commissioner must base classification of the lot or field on summer field readings from the previous year or lab testing.

(c) Instead of winter testing a sample, the commissioner may accept comprehensive lab testing if the commissioner determines that special circumstances exist, such as a natural disaster, that would make submission of samples for inclusion in winter testing impractical or impossible.

(d) The commissioner must reject a field or lot if the commissioner determines that a large number of plants are missing from the field or lot due to disease.

(e) The commissioner must reject a field or lot if the commissioner determines that the field or lot contains a large number of weak plants.

(f) The commissioner may reject a field or lot if the field or lot contains a large number of plants that have a mixture of variety.

Subd. 5. **Seed potato certification classes.** Seed potato certification classes must be differentiated by the potatoes' compliance with disease tolerances, varietal purity, and seed origin. Seed potato certification classes are: Prenuclear (PN), Generation 1 (G1), Generation 2 (G2), Generation 3 (G3), Generation 4 (G4), Generation 5 (G5), Generation 6 (G6), and Certified (C).

Subd. 6. **Experimental status.** (a) Lots from a breeder's seed that have not been tested and have not been determined to be virus-free are considered experimental. The commissioner must designate seedlings or numbered selections in experimental status as a class and determine requirements of that class.

(b) To obtain experimental status under this subdivision, an applicant must submit a written statement from the seedlings' or numbered selections' breeder, originator, or originator's designee verifying that the applicant has full and unrestricted rights to introduce the seedlings or numbered selections into the commercial market and that the applicant may apply to enter the seedlings or numbered selections into the certification system. The written statement must accompany the certification application submitted by the applicant.

(c) After reviewing the applicant's written statement and certification application, the commissioner may designate seedlings or numbered selections described in the application as having experimental status.

(d) After an applicant is notified by the commissioner that the seedlings or numbered selections have experimental status, the applicant must ensure that the seedlings or numbered selections are tagged with the word "EXPERIMENTAL."

Subd. 7. **Protected varieties.** If an applicant seeks to enter a seed potato variety protected under the Plant Variety Protection Act Amendments of 1994 into the certification system, the applicant must submit a written statement from the breeder, originator, or originator's designee that the applicant has full and unrestricted rights to introduce the protected variety into the certification system. The applicant must ensure that the written statement accompanies the certification application for any protected seed potato variety.

Subd. 8. **Certification factors; field inspection.** (a) The commissioner must consider the following factors when conducting a field inspection pursuant to a certification application:

(1) the commissioner must reject a field or lot if a large number of plants are missing due to disease;

(2) the commissioner must reject a field or lot if the field or lot contains a large number of weak plants;

(3) the commissioner must inspect a field or lot for bacterial ring rot. The commissioner must reject a field or lot if the commissioner finds the presence of bacterial ring rot. If bacterial ring rot is present in a field or lot, the remaining crop is not eligible for certification planting;

(4) the commissioner must reject a field or lot if the field or lot contains potatoes with a level of disease higher than the acceptable tolerance for the disease for the potatoes' seed potato certification class according to section 21.124, subdivision 9;

(5) the commissioner must reject a field or lot if the field or lot contains a percentage of diseased plants that exceeds the acceptable percentage of disease listed in section 21.124 for the seed potato certification class;

(6) the commissioner must reject a field or lot if any of the following are present in the field or lot to such an extent that the commissioner is unable to complete a satisfactory inspection for diseases: early or late blight, blackleg or wilt of any kind, weeds, plant injury from insects, or chemical damage; and

(7) the commissioner must reject a field or lot if any other conditions are present to such an extent that the commissioner is unable to make a satisfactory inspection for diseases.

(b) The commissioner must determine that a field is ineligible for certification if cull piles are in such close vicinity to the field that it is likely that the field is contaminated.

(c) The commissioner must make at least two field inspections of a field during the growing season. The commissioner must conduct a final inspection of a field for bacterial ring rot during the time of year that symptoms of bacterial ring rot are most likely to be observed. If the commissioner is unable to conduct a final inspection under this paragraph due to management practices of the grower or for a reason that is out of the grower's control, such as a natural disaster, the grower must ensure that laboratory testing is conducted to maintain eligibility for certification. An additional inspection or additional laboratory testing may be necessary to meet phytosanitary requirements in established markets in another state or in a Canadian province.

Subd. 9. **Roguing.** If any of the diseases listed in section 21.124, subdivision 1, are present in a field in amounts greater than the maximum disease tolerance level, the grower must rogue the field and remove the infected plants before the final inspection by the commissioner. If a grower has completed roguing a field after tubers have formed, the grower must remove and destroy all tubers from rogued plants.

Subd. 10. **Storage.** (a) A grower must ensure that a lot is stored under conditions that prevent disease contamination. A grower must not store a lot in any warehouse where other potatoes are stored, unless the grower labels the lot according to paragraph (b).

(b) If more than one grower stores lots in the same warehouse, each grower must identify the grower's lots by labeling the bin containing the lot with the grower's name, the grower's address, the variety of potatoes in the bin, and the number of potatoes in the bin.

(c) If a grower plans to store a lot in a public warehouse or storage unit that is not directly under the grower's control, the grower must send a complete record of storage to the commissioner prior to storing the lot. The record must include the address and location of the public warehouse or

storage unit, the variety of potatoes in each bin, and the number of potatoes in each bin. If a warehouse receipt for the lot is available, the grower must submit a copy of the warehouse receipt to the commissioner. If more than one grower stores lots in the same public warehouse or storage unit, the grower must label each lot according to paragraph (b).

(d) A grower must not use the same equipment for grading and handling lots of certified seed potatoes and other potatoes. If a grower has used the same equipment for grading and handling certified seed potatoes and other potatoes, the commissioner must reject the grower's lots.

(e) A firm that handles lots under contract must label each bin containing a lot with the name of the grower whose lots are being stored. A firm handling lots under contract must properly label and handle bins containing lots. A certification tag or bulk certificate must not be issued unless all bins are properly labeled according to this paragraph.

(f) By November 1 of each crop year, a grower must submit to the commissioner a completed storage and yield report for each lot on a form prescribed by the commissioner. The commissioner may extend the deadline after November 1 due to special circumstances, such as a natural disaster, that would make it impractical or impossible for a grower to complete harvesting and storage by November 1 and that affect an area or a large number of growers. A grower must submit a written request for an extension to the commissioner before November 1 of the crop year for which the extension is sought.

Subd. 11. **Tags; bulk certificates.** (a) Once the commissioner has informed a grower that the grower's potatoes meet the certification requirements in sections 21.111 to 21.125, a grower may tag the potatoes using an approved tag indicating the grade of potatoes as blue-tag-certified seed potato grade, yellow-tag-certified seed potato grade, or white-tag-certified seed potato grade. A grower's name, the city where the farm is located, the potato variety, and the crop year must be printed on a tag under this subdivision.

(b) When fastening a tag to a potato sack, a grower must fasten the tag to the sack to form a seal at the time that the lot or shipment is prepared.

(c) A bulk certificate must include the date that the certificate was issued, class, grade, lot number, shipping point certificate number, and approximate weight of the lot.

(d) Only the person who grew the potatoes may order or print tags for the potatoes once the commissioner has informed the person that the potatoes meet certification requirements under sections 21.111 to 21.125.

(e) A grower may print a tag for potatoes if the grower has provided proof of each lot to the commissioner for review before using the tag. A tag printed by a grower must contain the following statement: "The quality and condition of each lot is only confirmed through a shipping point inspection certificate. This tag, without an accompanying shipping point inspection certificate, is not proof that the potatoes contained within have been duly inspected."

Subd. 12. **Certified seed potato grades.** Certified seed potatoes must be classified by certified seed potato grades based on the number of physical defects of tubers. A grower must only use a certified seed potato grade for potatoes after a shipping point inspection of the potatoes has been

completed. The following three grades of certified seed potatoes must be used for Minnesota-certified seed potatoes:

(1) the blue-tag-certified seed potato grade is the first grade of certified seed potatoes. The blue-tag-certified seed potato grade is stricter than other grades. The blue-tag-certified seed potato grade does not allow as many physical defects of tubers as other grades. A grower may use the blue-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes;

(2) the yellow-tag-certified seed potato grade is the second grade of certified seed potatoes. The yellow-tag-certified seed potato grade allows more physical defects of tubers than the blue-tag-certified seed potato grade. A grower may use the yellow-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes; and

(3) the white-tag-certified seed potato grade is the third grade of certified seed potatoes. The number of physical defects that the white-tag-certified seed potato grade allows is determined by an agreement between the purchaser and seller of the certified seed potatoes. A grower may use the white-tag-certified seed potato grade for intrastate and interstate shipments of certified seed potatoes.

Subd. 13. **Grading.** (a) A grower must ensure that a lot is inspected at the shipping point if the lot requires a grade statement.

(b) If an inspection at the shipping point is impossible, a grower must request a grading inspection in transit.

(c) A grower must ensure that a bagged lot or shipment offered for sale and tagged with approved certification tags is contained in new even-weight sacks.

(d) A grower must ensure that a bulk shipment is identified with a bulk certificate.

(e) A grower must ensure that a bagged lot and bulk lot or shipment meets grade standards in section 21.125.

(f) A grower must recondition a lot or shipment that fails to meet the grade standards in section 21.125.

(g) If a lot or shipment fails to meet grade standards and is contained in sacks, a grower must remove approved certification tags from the lot or shipment before the lot or shipment may proceed to its destination.

(h) If a shipment is in bulk and fails to meet grade standards in section 21.125, a bulk certificate must not be issued.

(i) If a lot or shipment fails to meet grade standards, the shipper must bear the costs of reconditioning potatoes to meet the grade standards in section 21.125.

Sec. 30. **[21.124] REQUIREMENTS FOR PRODUCTION OF DIFFERENT CLASSES OF CERTIFIED SEED POTATOES.**

Subdivision 1. **Prenuclear class certified seed potatoes.** (a) A lot grown as and intended to be prenuclear class certified seed potatoes must be grown from plants tested and shown to be free from the following pathogens:

(1) *Clavibacter michiganensis* ssp. *sepedonicus* (ring rot);

(2) *Pectobacterium atrosepticum* ssp. *Atrosepticum, carotovora* (blackleg);

(3) potato virus X;

(4) potato virus S;

(5) potato virus A;

(6) potato virus M;

(7) potato virus Y;

(8) potato spindle tuber viroid; and

(9) potato leafroll virus.

(b) When growing prenuclear class seed potatoes, a grower must ensure that each explant or tuber is tested for organisms for which testing is required by the state or province of destination. A grower must ensure that material in maintenance is tested during the year of producing prenuclear class seed potatoes.

(c) A grower must produce prenuclear class seed potatoes in a greenhouse, facility, or screenhouse under sanitary conditions, free from insects and weeds that can harbor or transmit potato diseases or other conditions that would allow possible disease contamination. A grower must ensure that a facility used for growing prenuclear seed potatoes is sufficiently insulated from insects by screens and double doors. The commissioner may inspect any facility or equipment used for growing, handling, and storing prenuclear class seed potatoes to verify that the facility or equipment complies with this paragraph.

(d) A grower must ensure that one percent of each lot or ten plants or tubers from each lot, whichever is greater, is tested during the growing season to verify that the crop is free from potato virus X, potato virus Y, potato leafroll virus, *C. michiganensis*, and *P. atrosepticum*.

(e) Prenuclear tubers may originate from greenhouse tubers for one year only if the greenhouse tubers have remained at the same growing operation and have remained isolated from field-grown tubers.

(f) Prenuclear class certified seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 2. **Generation 1 class certified seed potatoes.** (a) Generation 1 class seed potatoes must meet the following requirements:

(1) the seed source must be either prenuclear tubers, clones, or plantlets; and

(2) tuber units or plantlets must be planted in identifiable family units.

(b) Subject to the commissioner's approval, lots in Generation 1 class may be exempt from winter testing requirements if leaves collected during the growing season are laboratory tested and shown to be within the allowable tolerance of potato virus X, potato virus Y, and other pathogens identified by the commissioner.

(c) Each lot must be stored in an individual identifiable unit.

(d) Generation 1 seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture for seed potatoes in subdivision 9.

Subd. 3. **Generation 2 class certified seed potatoes.** Generation 2 class seed potatoes must originate from Generation 1 class seed potatoes. Generation 2 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 4. **Generation 3 class certified seed potatoes.** Generation 3 class seed potatoes must originate from Generation 2 class seed potatoes. Generation 3 class seed potatoes must not contain more than the allowable tolerances of disease and varietal mixture in subdivision 9.

Subd. 5. **Generation 4 class certified seed potatoes.** Generation 4 class seed potatoes must originate from Generation 3 class seed potatoes. Generation 4 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 6. **Generation 5 class certified seed potatoes.** Generation 5 class seed potatoes must originate from Generation 4 class seed potatoes. Generation 5 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 7. **Generation 6 class certified seed potatoes.** Generation 6 class seed potatoes must originate from Generation 5 class seed potatoes. Generation 6 class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 8. **Certified class certified seed potatoes.** Certified class seed potatoes must originate from generation classes of seed potatoes. Certified class seed potatoes must not contain more than the allowable tolerances for disease and varietal mixture in subdivision 9.

Subd. 9. **Allowable tolerances for diseases and varietal mixture by generation class.** The numbers represent the percentage of potatoes that may be affected out of an individual lot.

	PN	G1	G2	G3	G4	G5	G6	C
Tolerances:								
Severe Mosaic from potato virus Y, A, M, X, and/or S	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Leafroll	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	1
Other viruses	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Mycoplasms (haywire, witches broom, yellow dwarf)	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Blackleg	0	0	0.2	0.5	1	exc.	exc.	exc.
Varietal mixture	0	0	0	0.1	0.1	0.1	0.2	0.2
Ring Rot and Spindle Tuber	0	0	0	0	0	0	0	0
Winter Test:								
Virus or expressing symptoms of chemical damage	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5

Sec. 31. **[21.125] MINNESOTA CERTIFIED SEED POTATO GRADES AND TOLERANCES.**

Subdivision 1. **Certified seed potato grading.** Potatoes must meet the requirements of sections 21.111 to 21.125 to be graded as certified seed potatoes.

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

(b) "Damage" means any defect or combination of defects that materially affects the appearance of the individual potato, or that cannot be removed without a loss of more than five percent of the total weight of the potato, including the peel covering the defective area.

(c) "Diameter" means the greatest dimension at right angles to the longitudinal axis. Diameter means the long axis.

(d) "Dry rot" means decaying tissue that is dry.

(e) "Fairly clean" means that the individual potato is reasonably free from dirt, staining, or other foreign matter.

(f) "Fairly well-shaped" means that the individual potato is not materially pointed, dumbbell-shaped, or otherwise ill-formed.

(g) "Mature" means that the outer skin does not loosen or feather readily during the ordinary methods of handling.

(h) "Serious damage" means any defect or combination of defects that seriously affects the appearance of the individual potato or that cannot be removed without a loss of more than ten percent of the total weight of the potato, including the peel covering the defective area.

(i) "Slightly dirty" means the appearance is not materially affected by dirt, staining, or other foreign matter.

(j) "Soft rot" or "wet breakdown" means any soft, mushy, or leaky condition of potato tissues.

(k) "Well-shaped" means the normal shape for a variety.

Subd. 3. **Damage.** The commissioner must find that one or more of the following defects constitutes damage:

(1) a russet scab that materially detracts from the appearance of a potato;

(2) second growth or growth cracks that materially affect the appearance of an individual potato;

(3) air cracks when removal of the air cracks causes a loss of more than five percent of the total weight of a potato;

(4) a potato that is more than moderately shriveled, spongy, or flabby;

(5) an individual potato that has sprouts over one inch in length;

(6) a surface scab, powdery scab, or pitted scab that covers more than five percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a potato to lose more than five percent of the potato's total weight, including peel covering a defective area of the potato; or

(7) more than 50 percent of a potato's surface contains scattered, lightly caked soil or more than 15 percent of a potato's surface is badly caked with soil.

Subd. 4. **Serious damage.** The commissioner must find that one or more of the following defects constitutes serious damage:

(1) a russet scab that seriously detracts from the appearance of a potato;

(2) the appearance of a potato is seriously affected by caked or smeared dirt or other foreign matter;

(3) both ends of a potato are cut or clipped, more than an estimated one-fourth of a potato is cut away from one end, or a remaining portion of a clipped potato weighs less than six ounces;

(4) one or more cuts that seriously affect the appearance of a potato or that cannot be removed without the loss of more than ten percent of a potato's total weight, including peel covering the defective area;

(5) a potato that is excessively shriveled, spongy, or flabby;

(6) a surface scab, powdery scab, or pitted scab that covers more than 25 percent of the surface of a potato or a surface scab, powdery scab, or pitted scab that, when removed, causes a loss of more than ten percent of a potato's total weight, including peel covering the defective area; or

(7) wireworm or air cracks that, when removed, cause a loss of more than ten percent of a potato's total weight.

Subd. 5. **Application of tolerance.** If the average of an entire lot is within the disease tolerances specified for the grade in section 21.124, subdivision 9, an individual container in the lot may contain

no more than double the disease tolerance specified in section 21.124, subdivision 9, except that sprouts, at least one defective specimen with a defect other than bacterial ring rot, and one off size specimen is permitted. This subdivision does not apply to bulk conveyances.

Subd. 6. **Condition after transit.** Deterioration that developed in transit must affect the condition of potatoes. Deterioration that developed in transit must not affect the grade of potatoes.

Subd. 7. **Minnesota blue-tag-certified seed potato grade.** (a) To be graded as Minnesota blue-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by soil or other foreign matter, second growth, air cracks, cuts, shriveling, sprouts, pitted scabs, surface scabs, powdery scabs, russet scabs, dry rot, other diseases, insects or worms, mechanical or other means, or flattened or depressed areas with underlying flesh discoloration; and free from serious damage caused by hollow heart, wireworm, growth cracks, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if the potatoes are labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for round or intermediate shaped varieties, the maximum potato size is 12 ounces (340.2 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For long varieties, the maximum size is 14 ounces (396.9 grams) and, unless otherwise specified, the minimum size must not be less than 1-1/2 inches (38.1 millimeters) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum size must not be more than 2-1/4 inches (57.1 millimeters) in diameter. The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota blue-tag-certified seed potatoes if the buyer agrees to accept potatoes of alternate size specifications from the grower and the specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to ten percent of a lot may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of a lot may be seriously damaged by internal discoloration due to causes other than hollow heart;

(iii) up to ten percent of a lot may be damaged by soil or other foreign matter;

(iv) up to 20 percent of a lot may be damaged by sprouts;

(v) up to ten percent of a lot may be seriously damaged by wireworm;

(vi) for potatoes that fail to meet the remaining requirements of the potatoes' grade, a lot may contain up to a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 2.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vii) the presence of the following does not affect seed quality and must not be scored against the potatoes' grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks; and

(G) silver scurf; and

(2) for off size:

(i) up to five percent of potatoes may fail to meet the required or specified minimum size; and

(ii) up to ten percent of potatoes may fail to meet the required maximum size.

Subd. 8. **Minnesota yellow-tag-certified seed potato grade.** (a) To be graded as Minnesota yellow-tag-certified seed potatoes, potatoes must meet the following requirements:

(1) at the time of the shipping point inspection, the potatoes must be of one variety; unwashed; fairly well-shaped; free from bacterial ring rot, late blight, freezing, black heart, and soft rot or wet breakdown; free from damage caused by second growth, air cracks, cuts, shriveling, pitted scabs, surface scabs, powdery scabs, dry rot, other diseases, insects or worms, or mechanical means or other means; and free from serious damage caused by soil or other foreign matter, hollow heart, wireworm, growth cracks, russet scabs, or internal discoloration other than hollow heart. Sunburn and silver scurf must not be considered factors that affect the grading of potatoes. This clause does not apply to hollow heart if labeled "hollow heart exempt" on the affixed tag or accompanying certificate; and

(2) for all varieties, the maximum potato size is 14 ounces (396.9 grams) and the minimum size is 1-1/2 inch (38.1 millimeter) in diameter. For all varieties, the minimum diameter for size "B" must not be less than 1-1/2 inches (38.1 millimeters) and the maximum diameter must not be more than 2-1/4 inches (57.1 millimeters). The department may grade potatoes that do not meet the maximum and minimum size specifications as Minnesota yellow-tag-certified seed potatoes if the buyer agrees to accept potatoes with alternate size specifications from the grower and the size specifications are listed on the affixed tag or accompanying bulk certificate issued by the department.

(b) To allow for variations incident to proper grading and handling, the following lot tolerances are permitted:

(1) for defects:

(i) up to 20 percent of potatoes may be seriously damaged by hollow heart, unless labeled "hollow heart exempt" on the affixed tag or accompanying certificate;

(ii) up to five percent of potatoes may be seriously damaged by internal discoloration due to a cause other than hollow heart;

(iii) up to ten percent of potatoes may be seriously damaged by soil or other foreign matter;

(iv) up to ten percent of potatoes may be seriously damaged by wireworm;

(v) up to 20 percent of a lot may have defects if the potatoes fail to meet the remaining requirements of the grade. Of the 20 percent of defects allowed, a lot may contain a total of six percent of the following defects combined and must not contain more than the following percentage of defects:

(A) soft rot, frozen, or wet breakdown, 0.5 percent;

(B) damage by surface scab, powdery scab, or pitted scab, 5.0 percent;

(C) damage by dry rot, 2.0 percent, of which not more than 1.0 percent is late blight tuber rot;

(D) bacterial ring rot, 0.0 percent; and

(E) late blight tuber rot, 1.0 percent; and

(vi) the presence of the following does not affect seed quality and must not be scored against the grade:

(A) brown discoloration following skinning;

(B) dried stems;

(C) flattened or depressed areas showing no underlying flesh discoloration;

(D) greening;

(E) sunburn;

(F) skin checks;

(G) silver scurf; and

(H) sprouts; and

(2) for off size:

(i) five percent for potatoes that fail to meet the required or specified minimum size; and

(ii) ten percent for potatoes that fail to meet the required maximum size.

(c) The potatoes must be fairly well-shaped, with an exception for long varieties when specified as "except for shape." When specified as "except for shape," the tubers may be misshapen.

Subd. 9. **Minnesota white-tag-certified seed potato grade.** Minnesota white-tag-certified seed potato grade consists of certified seed potatoes that are graded according to agreement between the seller and the purchaser as to size and defects, except that not more than one-half percent of soft rot, frozen, or wet breakdown and two percent dry rot, of which not more than one percent late blight tuber rot is allowed.

Sec. 32. Minnesota Statutes 2024, section 21.891, subdivision 2, is amended to read:

Subd. 2. **Seed fee permits.** (a) A labeler who wishes to sell seed in Minnesota must comply with section 21.89, subdivisions 1 and 2, and the procedures in this subdivision. Each labeler who wishes to sell seed in Minnesota must apply to the commissioner to obtain a permit. The application must contain the name and address of the applicant, the application date, and the name and title of the applicant's contact person. Permit fees are based on the initial sale of seed in Minnesota.

(b) The application for a seed permit covered by section 21.89, subdivision 2, clause (1), must be accompanied by an application fee of $75.

(c) The application for a seed permit covered by section 21.89, subdivision 2, clause (2), must be accompanied by an application fee based on the level of annual gross sales as follows:

(1) for gross sales of $0 to $25,000, the annual permit fee is $75;

(2) for gross sales of $25,001 to $50,000, the annual permit fee is $150;

(3) for gross sales of $50,001 to $100,000, the annual permit fee is $300;

(4) for gross sales of $100,001 to $250,000, the annual permit fee is $750;

(5) for gross sales of $250,001 to $500,000, the annual permit fee is $1,500;

(6) for gross sales of $500,001 to $1,000,000, the annual permit fee is $3,000; and

(7) for gross sales of $1,000,001 and above, the annual permit fee is $4,500.

(d) The application for a seed permit covered by section 21.89, subdivision 2, clause (3), must be accompanied by an application fee of $75. Labelers holding seed fee permits covered under this

paragraph need not apply for a new permit or pay the application fee. Under this permit category, the fees for the following kinds of agricultural seed sold either in bulk or containers are:

(1) oats, wheat, and barley, 9 cents per hundredweight;

(2) rye, field beans, buckwheat, and flax, 12 cents per hundredweight;

(3) field corn, 17 cents per 80,000 seed unit;

(4) forage, hemp, lawn and turf grasses, and legumes, 69 cents per hundredweight;

(5) sunflower, $1.96 per hundredweight;

(6) sugar beet, 12 cents per 100,000 seed unit;

(7) soybeans, 7.5 cents per 140,000 seed unit;

(8) for any agricultural seed not listed in clauses (1) to (7), the fee for the crop most closely resembling it in normal planting rate applies; and

(9) for native grasses and wildflower seed, $1 per hundredweight.

(e) If, for reasons beyond the control and knowledge of the labeler, seed is shipped into Minnesota by a person other than the labeler, the responsibility for the seed fees are transferred to the shipper. An application for a transfer of this responsibility must be made to the commissioner. Upon approval by the commissioner of the transfer, the shipper is responsible for payment of the seed permit fees.

(f) Seed permit fees may be included in the cost of the seed either as a hidden cost or as a line item cost on each invoice for seed sold. To identify the fee on an invoice, the words "Minnesota seed permit fees" must be used.

(g) All seed fee permit holders must file semiannual reports with the commissioner, even if no seed was sold during the reporting period. Each semiannual report must be submitted within 30 days of the end of each reporting period. The reporting periods ~~are October 1 to March 31 and April 1 to September 30 of each year or July 1 to December 31 and January 1 to June 30 of each year~~ must be determined by the commissioner and communicated annually to permit holders. Permit holders may change their reporting periods with the approval of the commissioner.

(h) The holder of a seed fee permit must pay fees on all seed for which the permit holder is the labeler and which are covered by sections 21.80 to 21.92 and sold during the reporting period.

(i) If a seed fee permit holder fails to submit a semiannual report and pay the seed fee within 30 days after the end of each reporting period, the commissioner shall assess a penalty of $100 or eight percent, calculated on an annual basis, of the fee due, whichever is greater, but no more than $500 for each late semiannual report. A $15 penalty must be charged when the semiannual report is late, even if no fee is due for the reporting period. Seed fee permits may be revoked for failure to comply with the applicable provisions of this paragraph or the Minnesota seed law.

Sec. 33. Minnesota Statutes 2025 Supplement, section 28A.04, subdivision 1, is amended to read:

Subdivision 1. **Application; date of issuance.** (a) Except as provided under section 28A.152, no person ~~shall~~ may engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license ~~shall~~ must be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and ~~shall~~ must contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

(b) An applicant for a license must submit a nonrefundable application fee of $50 with each license application. The fee under this paragraph does not apply to annual license renewals. The fee under this paragraph is not required for applications to operate solely as a special event food stand or custom exempt food handler.

(c) A food handler license ~~shall~~ must be issued for the period January 1 to December 31 and ~~shall~~ must be renewed thereafter by the licensee on or before January 1 of each year, except that:

(1) retail and wholesale food handler licenses issued for the period of July 1, 2025, to June 30, 2026, must be renewed on or before July 1, 2026, for the period of July 1, 2026, to December 31, 2026. The renewal fee for the period of July 1, 2026, to December 31, 2026, is one-half of the fee for a food handler specified in section 28A.08, subdivision 3;

(2) licenses for all mobile food concession units and retail mobile units must be issued for the period April 1 to March 31, and must be renewed thereafter by the licensee on or before April 1 of each year. A license issued for a temporary food concession stand must have a license issuance and renewal date consistent with appropriate statutory provisions; and

(3) a license for a food handler operating only at the State Fair must be issued for the period of July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 of each year.

(d) A penalty for late renewal under paragraph ~~(b)~~ (c) must be assessed in accordance with section 28A.08.

(e) A custom exempt food handler license ~~shall~~ must be issued for the period July 1 to June 30 and must be renewed thereafter by the licensee on or before July 1 each year. The custom exempt food handler license is for businesses that only conduct custom exempt operations and mark all products as "Not For Sale." Food handlers that conduct retail exempt operations or other operations other than custom exempt processing or slaughter are not eligible for this license.

(f) On a quarterly basis during the licensing period, the commissioner must prorate the fee for an initial license issued under this chapter, except that:

(1) a person applying for a new license up to 14 calendar days before the effective date of the new license period under paragraph (c) must be issued a license for the 14 days and the next license year as a single license and pay a single license fee as if the 14 days were part of the upcoming license period.; and

(2) a person applying for a license to operate as a special event food stand must pay the entire fee specified in section 28A.08, subdivision 3, regardless of when the application is filed.

Sec. 34. Minnesota Statutes 2024, section 28A.0752, is amended to read:

28A.0752 DELEGATION OF POWERS AND DUTIES.

Subdivision 1. **Agreements to perform duties of commissioner.** (a) The commissioner may enter into agreements to delegate ~~licensing and inspection~~ duties of the commissioner to community health boards pertaining to ~~retail~~ food handlers ~~shall~~ whose primary mode of business is to sell or to process and sell food directly to the ultimate consumer. An agreement under this section may include duties of licensing, inspection, reporting, and enforcement ~~duties~~ authorized under ~~sections~~ this chapter and chapters 29 and 30; section 17.04~~, 29.21, 29.23, 29.235, 29.236, 29.237, 29.24, 29.25, 29.26, 29.27, and 30.49,~~; appropriate sections of the Minnesota Food Law, chapters 31 and 34A~~,~~; and applicable Minnesota food rules.

(b) Agreements under this section are subject to subdivision 3.

(c) ~~This subdivision does not affect agreements entered into under section 28A.075 or current cooperative agreements which base inspections and licensing responsibility on the firm's most predominant mode of business.~~ The commissioner must not delegate duties under this section pertaining to custom exempt food handlers and food handlers inspected under the state meat inspection program under chapter 31A.

(d) The commissioner must not delegate duties under this section pertaining to food handlers whose principal mode of business is to sell food to other business entities or establishments for resale.

(e) The commissioner must not delegate duties under this section pertaining to food handlers who conduct activities regulated under Code of Federal Regulations, title 21, part 111; 112; 113; 114; 117, subpart C; 120; or 123.

Subd. 2. **Approval of agreements.** (a) An agreement under this section to delegate ~~licensing and inspection of retail food handlers~~ duties to a community health board must be approved by the commissioner ~~and is subject to subdivision 3~~.

(b) An agreement to delegate the commissioner's duties to a designated agent established before January 1, 2025, remains in effect if the designated agent's performance continues to meet the standards necessary to substitute for the commissioner's duties and complies with the requirements of subdivisions 1 and 3.

Subd. 3. **Terms of agreements.** (a) Agreements authorized under this section must be in writing and signed by the ~~delegating authority~~ commissioner and the designated agent.

(b) ~~The~~ An agreement under this section must list criteria that the ~~delegating authority~~ commissioner will use to determine if the designated agent's performance meets appropriate standards and is sufficient to replace performance by the ~~delegating authority~~ commissioner.

(c) ~~The~~ An agreement under this section may specify minimum staff requirements and qualifications, set procedures for the assessment of costs, and provide for termination procedures if the ~~delegating authority~~ commissioner determines that the designated agent has failed to comply with the agreement.

(d) A designated agent must operate according to the requirements of section 28A.06.

(e) By December 31, 2028, a designated agent that entered into an agreement to delegate the commissioner's duties to the designated agent before January 1, 2025, must comply with section 28A.06.

~~(d)~~ (f) The ~~delegating authority~~ commissioner and the designated agent are required to perform inspections utilizing the Minnesota Food Code's minimum and maximum standards.

~~(e)~~ (g) A designated agent must not perform licensing, inspection, reporting, or enforcement duties under ~~the~~ an agreement under this section in a territory outside its jurisdiction unless approved by the commissioner and governing body for that territory through a separate agreement.

(h) A designated agent may charge a fee to recover the estimated costs of performing duties according to terms of an agreement under this section if the duties involve enforcing the Minnesota Food Law and applicable Minnesota food rules. The fee charged by the designated agent must be fair, reasonable, and proportionate to the actual cost of the duties performed by the designated agent. A designated agent must only use a fee under this paragraph to cover the costs of performing duties according to terms of the agreement under this section.

~~(f)~~ (i) The scope of agreements established under this section is limited to duties and responsibilities agreed upon by the parties. The agreement may provide for automatic renewal and for notice of intent to terminate by either party.

~~(g)~~ (j) During the life of ~~the~~ an agreement under this section, the ~~delegating authority shall~~ commissioner must not perform duties that the designated agent is required to perform under the agreement, except inspections necessary to determine compliance with the agreement and this section or as agreed to by the parties.

~~(h)~~ (k) The ~~delegating authority shall~~ commissioner must consult with, advise, and assist a designated agent in the performance of its duties under the agreement.

~~(i)~~ (l) This section does not alter the responsibility of the ~~delegating authority~~ commissioner for the performance of duties specified by law and rule.

Sec. 35. Minnesota Statutes 2025 Supplement, section 28A.08, subdivision 3, is amended to read:

Subd. 3. **Fees effective August 1, 2025.**

Type of food handler	Risk Category	License Fee	Penalties Late Renewal	Penalties No License
1. Custom exempt food handler				
(a) Having $50,000 or less gross sales or service for the immediately previous license or fiscal year		$135	$45	$90

(b) Having $50,001 to $125,000 gross sales or service for the immediately previous license or fiscal year		$200	$67	$133
(c) Having $125,001 to $500,000 gross sales or service for the immediately previous license or fiscal year		$370	$123	$247
(d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year		$475	$158	$317
(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year		$1,350	$450	$900
(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year		$1,750	$583	$1,167
(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year		$2,150	$717	$1,433
(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year		$2,550	$849	$1,700
(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year		$2,950	$984	$1,967
(j) Having over $25,000,001 gross sales or service for the immediately previous license or fiscal year		$3,350	$1,117	$2,233
2. Food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than $30,000 for the immediately previous license or fiscal year and filing a statement with the commissioner		$90	$30	$60
(b) Having gross sales or service of less than $50,000 for the immediately previous license or fiscal year	High	$285	$95	$190
	Medium	$195	$65	$130
	Low	$135	$45	$90
(c) Having $50,001 to $125,000 gross sales or service for the immediately previous license or fiscal year	High	$350	$117	$233
	Medium	$260	$87	$173
	Low	$200	$67	$133
(d) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year	High	$415	$138	$277
	Medium	$350	$117	$233
	Low	$265	$88	$177
(e) Having $250,001 to $500,000 gross sales or service for the immediately previous license or fiscal year	High	$520	$173	$347
	Medium	$430	$143	$287
	Low	$370	$123	$247

(f) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	High	$625	$208	$417
	Medium	$535	$178	$357
	Low	$475	$158	$317
(g) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	High	$1,500	$500	$1,000
	Medium	$1,425	$475	$950
	Low	$1,350	$450	$900
(h) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	High	$1,900	$633	$1,267
	Medium	$1,825	$608	$1,217
	Low	$1,750	$583	$1,167
(i) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	High	$2,300	$767	$1,533
	Medium	$2,225	$742	$1,483
	Low	$2,150	$717	$1,433
(j) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	High	$2,700	$900	$1,800
	Medium	$2,625	$875	$1,750
	Low	$2,550	$849	$1,700
(k) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	High	$3,100	$1,033	$2,067
	Medium	$3,025	$1,008	$2,017
	Low	$2,950	$984	$1,967
(l) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	High	$3,500	$1,167	$2,333
	Medium	$3,425	$1,142	$2,283
	Low	$3,350	$1,117	$2,233
(m) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	High	$4,000	$1,334	$2,667
	Medium	$3,925	$1,309	$2,617
	Low	$3,850	$1,284	$2,567
(n) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	High	$4,500	$1,500	$3,000
	Medium	$4,425	$1,475	$2,950
	Low	$4,350	$1,450	$2,900
3. Food handler operating under authority of this chapter solely as a special event food stand as defined in Minnesota Statutes, section 157.15		$75	~~$25~~	$50
4. Meat or poultry processing solely under supervision of the U.S. Department of Agriculture				
(a) Having gross sales or service of less than $125,000 for the immediately previous license or fiscal year		$190	$63	$127
(b) Having $125,001 to $250,000 gross sales or service for the immediately previous license or fiscal year		$365	$122	$243
(c) Having $250,001 to $500,000 gross sales or service for the immediately previous license or fiscal year		$450	$150	$300
(d) Having $500,001 to $1,000,000 gross sales or service for the immediately previous license or fiscal year		$565	$188	$377

(e) Having $1,000,001 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$725	$241	$483
(f) Having $5,000,001 to $10,000,000 gross sales or service for the immediately previous license or fiscal year	$885	$295	$590
(g) Having $10,000,001 to $15,000,000 gross sales or service for the immediately previous license or fiscal year	$1,305	$435	$807
(h) Having $15,000,001 to $20,000,000 gross sales or service for the immediately previous license or fiscal year	$1,515	$505	$1,010
(i) Having $20,000,001 to $25,000,000 gross sales or service for the immediately previous license or fiscal year	$1,745	$582	$1,163
(j) Having $25,000,001 to $50,000,000 gross sales or service for the immediately previous license or fiscal year	$1,975	$658	$1,317
(k) Having $50,000,001 to $100,000,000 gross sales or service for the immediately previous license or fiscal year	$2,215	$738	$1,477
(l) Having $100,000,001 or more gross sales or service for the immediately previous license or fiscal year	$2,465	$822	$1,643

Sec. 36. Minnesota Statutes 2024, section 29.21, is amended by adding a subdivision to read:

Subd. 12. **Quality assurance date.** "Quality assurance date" means any date after which the manufacturer or processor reasonably determines that the product may, by spoilage, wiltage, drying, or any other foreseeable and natural phenomenon, lose palatability or desired or nutritive properties.

Sec. 37. Minnesota Statutes 2024, section 29.26, is amended to read:

29.26 EGGS IN POSSESSION OF RETAILER.

(a) All eggs sold or offered for sale at retail must have been candled and graded and must be clearly labeled according to Minnesota consumer grades as established by rule under section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by any other name that does not clearly designate the grade. All eggs in possession of the retailer, either in temporary storage or on display, must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius).

(b) Grade AA eggs held 31 days past the coded pack date for Grade AA eggs, or Grade A eggs held 46 days past the coded pack date for Grade A eggs, lose their grades and must be removed from sale., except eggs that are past their quality assurance date may be donated to and distributed by charitable food assistance programs if the eggs:

(1) are contained in their original packaging;

(2) have previously been candled and graded;

(3) are continuously refrigerated;

(4) are distributed to the end consumer prior to 30 days past the original quality assurance date; and

(5) are contained in packaging affixed with a label that includes the following information:

(i) the name of the charitable food assistance program distributing the eggs;

(ii) a "distribute by" date of no more than 30 days past the original quality assurance date; and

(iii) the following statement: "Donated Eggs - Not for Resale."

Sec. 38. Minnesota Statutes 2024, section 32D.30, subdivision 5, is amended to read:

Subd. 5. **Reporting.** No later than ~~July 1~~ September 15 of each even-numbered year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan ~~during the fiscal year~~, the commissioner must notify the chairs and ranking minority members.

Sec. 39. Minnesota Statutes 2024, section 41A.19, is amended to read:

41A.19 REPORT; INCENTIVE PROGRAMS.

~~By January 15~~ Each year, the commissioner shall report on the incentive programs under sections 41A.16, 41A.17, 41A.18, and 41A.20 to the legislative committees with jurisdiction over environment and agriculture policy and finance in the report under section 41A.12, subdivision 3. The report shall include information on production and incentive expenditures under the programs.

Sec. 40. Minnesota Statutes 2024, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2027~~ 2032.

Sec. 41. **REPEALER.**

Minnesota Statutes 2024, sections 18K.02, subdivision 7; 18K.03, subdivision 2; and 28A.075, are repealed.

ARTICLE 6

ENVIRONMENT AND NATURAL RESOURCES

Section 1. Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended by Laws 2025, chapter 36, article 4, section 15, is amended to read:

Subd. 6. **Department of Administration** 17,040,000 14,105,000

(a) The amounts in this subdivision are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. The commissioner of administration may use a portion of this appropriation for costs that are directly related to and necessary for the administration of grants in this subdivision.

(b) Grant agreements entered into by the commissioner and recipients of appropriations under this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

(c) **Minnesota Public Radio**

$2,050,000 each year is for Minnesota Public Radio to create programming and expand news service on Minnesota's cultural heritage and history.

(d) **Association of Minnesota Public Educational Radio Stations**

$2,050,000 the first year and $2,050,000 the second year are to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants in accordance with Minnesota Statutes, section 129D.19.

(e) **Public Television**

$5,000,000 the first year and $4,500,000 the second year are to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. Of the amount in the first year, $1,000,000 is for producing Minnesota military and veterans' history stories and unique immigrant stories from around the state.

(f) **Wilderness Inquiry**

$500,000 the first year and $600,000 the second year are to Wilderness Inquiry to preserve Minnesota's outdoor history, culture, and heritage by connecting Minnesota youth and families to natural resources.

(g) **Como Park Zoo**

$1,725,000 each year is to the Como Park Zoo and Conservatory for program development that features educational programs and habitat enhancement, special exhibits, music appreciation programs, and historical garden access and preservation.

(h) **Science Museum of Minnesota**

$825,000 each year is to the Science Museum of Minnesota for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage, including student and teacher outreach, statewide educational initiatives, and community-based exhibits that preserve Minnesota's history and cultural heritage.

(i) **Appetite for Change**

$200,000 the first year is to the nonprofit Appetite for Change for the Community Cooks programming, which will preserve the cultural heritage of growing and cooking food in Minnesota.

(j) **Lake Superior Zoo**

$150,000 each year is to the Lake Superior Zoo to develop educational exhibits and programs.

(k) **Great Lakes Aquarium**

$250,000 each year is to the Lake Superior Center Authority to prepare, fabricate, and install a hands-on exhibit with interactive learning components to educate Minnesotans on the history of the natural landscape of the state.

(l) **State Band**

$25,000 the first year and $25,000 the second year are to the Minnesota state band to provide free concerts throughout the state.

(m) **Veterans Memorial Park in Wyoming**

$100,000 the first year is for a grant to the city of Wyoming to build the Veterans Memorial Plaza and related interpretive walk in Railroad Park.

(n) **Great Northern Festival**

$75,000 the first year and $75,000 the second year are for a grant to support the Great Northern Festival, which connects attendees to parks, outdoor spaces, and cultural venues through a festival.

(o) **Governor's Council on Developmental Disabilities**

$50,000 the first year is to the Minnesota Governor's Council on Developmental Disabilities to continue to preserve and raise awareness of the history of Minnesotans with developmental disabilities.

(p) **Minnesota Council on Disability**

$125,000 the first year and $125,000 the second year are to the Minnesota Council on Disability to provide educational opportunities in the arts, history, and cultural heritage of Minnesotans with disabilities in conjunction with the 50th anniversary of the Minnesota Council on Disability. This appropriation is available until June 30, 2027.

(q) **Keller Regional Park**

$500,000 the first year is for a grant to Ramsey County to preserve Minnesota's cultural heritage by enhancing the tuj lub courts at Keller Regional Park.

(r) **Vietnam War Anniversary**

$250,000 the first year is for a grant to the commissioner of veterans affairs to prepare and host a commemoration program for the 50th anniversary of the Vietnam War.

(s) **St. Paul Cultural Art Installation**

$500,000 the first year is for a grant to ~~Forecast Public Art for an~~ the city of St. Paul for a public art installation celebrating Olympic gold medalist Suni Lee. The project funded by this paragraph must be located in St. Paul at the Conway Recreation Center or, if that site is not practicable, at Lake Phalen at the platform containing the bust of Suni Lee. This appropriation is available until June 30, ~~2027~~ 2028.

(t) **One Heartland Center**

$50,000 each year is for a grant to One Heartland Center for programming and outdoor activities for families and youth in Minnesota.

(u) **Forest Lake Veterans Memorial**

$100,000 the first year is for a grant to the Forest Lake Veterans Memorial Committee to construct a memorial to veterans of the United States armed forces at Lakeside Memorial Park in the city of Forest Lake. This appropriation is available until June 30, 2027.

(v) **Hmong Plaza**

$450,000 the first year is for a grant to the city of St. Paul to construct the Hmong Plaza at Phalen Lake.

(w) **Camille Gage Artist Fellowship**

$55,000 the first year and $55,000 the second year are for a grant to YWCA Minneapolis to fund an annual fellowship to be known as the Camille J. Gage Artist Fellowship. Of this amount, up to $5,000 each year may be used for administrative expenses. YWCA Minneapolis must select a person for the Camille J. Gage Artist Fellowship after an application process that allows both applications by interested persons and nominations of persons by third parties. By October 1, 2026, YWCA Minneapolis must

report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over legacy on the use of money appropriated under this paragraph and on the activities of the person selected for the Camille J. Gage Artist Fellowship under this paragraph. This appropriation is available until June 30, 2026.

(x) **Minnesota African American Heritage Museum and Gallery**

$235,000 the first year and $125,000 the second year are for arts and cultural heritage programming celebrating African American and Black communities in Minnesota. Of the amount in the first year, $110,000 is for C. Caldwell Fine Arts for an outdoor mural project in North Minneapolis to work with young people to develop skills while using art as the impetus.

(y) **Tibetan American Foundation of Minnesota**

$25,000 the first year and $25,000 the second year are for a grant to the Tibetan American Foundation of Minnesota to celebrate and teach the art, culture, and heritage of Tibetan Americans in Minnesota.

(z) **Hong De Wu Guan**

$25,000 the first year is for a grant to Hong De Wu Guan to create cultural arts projects like Lion Dance for after-school programs for youth.

(aa) **Sepak Takraw of USA**

$50,000 the first year is for a grant to the Sepak Takraw of USA to work with youth and after-school programs in the community to teach the cultural games of tuj lub and sepak takraw. This appropriation may not be used to hold events.

(bb) **30,000 Feet**

$75,000 the first year and $75,000 the second year are for a grant to 30,000 Feet, a nonprofit organization, to help youth and

community artists further develop their artistic skills, to create community art and artistic performances, and to promote and share African American history and culture through the arts.

(cc) **Siengkane Lao Minnesota**

$50,000 the first year and $50,000 the second year are for a grant to Siengkane Lao MN to create cultural arts projects and to preserve traditional performances.

(dd) **Hmong Cultural Center**

$150,000 the first year and $150,000 the second year are for a grant to the Hmong Cultural Center of Minnesota for museum-related programming and educational outreach activities to teach the public about the historical, cultural, and folk arts heritage of Hmong Minnesotans.

(ee) **Comunidades Latinas Unidas En Servicio**

$250,000 the first year and $250,000 the second year are for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to expand arts programming to celebrate Latino cultural heritage; support local artists; and provide professional development, networking, and presentation opportunities.

(ff) **Hmong RPA Writing System**

$300,000 the first year and $300,000 the second year are for grants to recipients who have demonstrated knowledge and interest in preserving Hmong culture to preserve Hmong Minnesotans' heritage, history, language, and culture. Grants must be used in conjunction with Minnesota universities to improve and develop a unified and standardized Latin alphabet form of the Hmong RPA writing system. No portion of this appropriation may be used to encourage religious membership or to conduct personal ceremonies or events. This appropriation is available until June 30, 2028.

(gg) **Somali Museum of Minnesota**

$125,000 the first year and $125,000 the second year are for a grant to the Somali Museum of Minnesota for heritage arts and cultural vitality programs to provide classes, exhibits, presentations, and outreach about the Somali community and heritage in Minnesota.

(hh) **Minnesota Museum of American Art**

$200,000 the first year and $200,000 the second year are for a grant to the Minnesota Museum of American Art for exhibit programming and for a Native American Fellowship at the museum.

(ii) **Fanka Programs**

$250,000 the first year and $250,000 the second year are for a grant to Ka Joog statewide Somali-based collaborative programs for arts and cultural heritage. The funding must be used for Fanka programs to provide arts education and workshops, mentor programs, and community presentations and community engagement events throughout Minnesota.

(jj) **The Bakken Museum**

$150,000 the first year is for a grant to The Bakken Museum for interactive exhibits and outreach programs on arts and cultural heritage.

(kk) **4-H Shooting Sports**

$50,000 the first year is to the University of Minnesota Extension Office to provide grants to Minnesota 4-H chapters that have members participating in state and national 4-H-sanctioned shooting sports events. Eligible costs for grant money include shooting sports equipment and supplies and event fees associated with participating in state shooting sports events.

(ll) **Public Art Saint Paul**

$75,000 each year is for a grant to Public Art Saint Paul for art programming at the Wakpa Triennial Art Festival to showcase new art across the Twin Cities by Minnesota artists in outdoor and indoor settings and to encourage visitors to experience the arts and culture produced by local arts and culture organizations.

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

Sec. 2. Laws 2024, chapter 90, article 1, section 52, is amended to read:

Sec. 52. **EFFECTIVE DATE.**

(a) Sections ~~1 to 51~~ 4, 7, 10 to 12, 14 to 17, and 19 to 51, and the amendments to Minnesota Rules, parts 6100.5002, 6213.0100, 6213.0400, 6213.0500, 6232.0200, 6232.0300, 6232.0400, 6232.0500, 6232.0900, 6232.1250, 6232.1300, 6232.1600, 6232.1950, 6232.1970, 6232.1980, 6232.2550, 6232.2800, 6232.3100, 6232.4400, 6234.1600, 6234.1700, 6234.2000, 6234.2600, 6236.0300, 6236.0500, 6236.0950, 6237.0200, 6262.1000, 6262.3200, 6264.0400, and 6266.0700, and the repealer as adopted by the commissioner of natural resources and published in the State Register, volume 49, page 1416, June 30, 2025, are effective upon full implementation of the replacement electronic license, permits, and pass portions of the electronic license system.

(b) Sections 5, 6, 8, 9, 13, and 18 are effective upon full implementation of the vehicle registration portions of the electronic license system.

(c) The commissioner of natural resources must notify the revisor of statutes when the ~~replacement electronic license system is fully implemented.~~ portions of the replacement electronic licensing system governed by the sections and rule modifications described in paragraph (a) are fully implemented and when the portions of the replacement electronic licensing system governed by the sections described in paragraph (b) are fully implemented.

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

Sec. 3. **DELETION FROM STATE PARK.**

[85.012] [Subd. 42.] Mille Lacs Kathio State Park, Mille Lacs County. The following area is deleted from Mille Lacs Kathio State Park: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds

East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

Sec. 4. **PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; MILLE LACS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) to a federally recognized Indian Tribe, subject to the state's reservation of access and dam easements over the land described in paragraph (c) if the state elects to reserve such easements.

(b) The land must not be sold for less than the appraised value. The buyer must reimburse the commissioner for all costs and expenses, including staff costs, incurred by the commissioner in making the property salable and in selling the property. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is all of or a portion of the land located in Mille Lacs County and described as: that part of Government Lot 3, Section 33, Township 43 North, Range 27 West, Mille Lacs County, Minnesota, lying easterly of the easterly right-of-way line of U.S. Trunk Highway 169. Excepting therefrom the following described tract of land: commencing at the northwest corner of said Government Lot 3, said corner being marked by a 2-½-inch aluminum post with brass cap (Bureau of Land Management Monument); thence North 89 degrees 43 minutes 55 seconds East, assumed bearing, along the north line of said Government Lot 3, a distance of 1,076.85 feet to the point of beginning of the land to be described; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 40.88 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence continuing North 89 degrees 43 minutes 55 seconds East, along said north line, a distance of 299.64 feet to a ¾-inch rebar with plastic cap stamped MN DNR LS 47461; thence South 14 degrees 26 minutes 27 seconds East, a distance of 170.18 feet to a ¾-inch iron rod with disk stamped MN DNR PROPERTY; thence South 89 degrees 43 minutes 55 seconds West, a distance of 413.14 feet to a ¾-inch iron rod; thence continuing South 89 degrees 43 minutes 55 seconds West, a distance of 10.50 feet; thence North 07 degrees 53 minutes 17 seconds East, a distance of 70.68 feet; thence North 18 degrees 01 minute 43 seconds East, a distance of 100.09 feet to the point of beginning.

(d) The land to be sold borders on Mille Lacs Lake. The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a federally recognized Indian Tribe.

Sec. 5. **APPROPRIATION EXTENSIONS.**

Subdivision 1. **Parks and trails fund appropriation extensions.** (a) The availability of the grant to the St. Louis and Lake Counties Regional Railroad Authority for the Mesabi Trail project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(b) The availability of the grant to Olmsted County for the Oxbow Park and Zollman Zoo project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(c) The availability of the grant to Stearns County for the Kraemer Lake and Wildwood County Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(d) The availability of the grant to Redwood County for the Plum Creek Park project from the parks and trails fund fiscal year 2024 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(e) The availability of the grant to the city of Sandstone for the Robinson Quarry Park project from the parks and trails fund fiscal year 2025 appropriation under Laws 2023, chapter 40, article 3, section 3, paragraph (c), is extended to June 30, 2027.

(f) The availability of the appropriation for coordination and projects between partners from the parks and trails fund in fiscal year 2024 under Laws 2023, chapter 40, article 3, section 3, paragraph (f), is extended to June 30, 2027.

Subd. 2. **Department of Natural Resources appropriation extensions.** (a) The appropriation in Laws 2024, chapter 116, article 1, section 3, subdivision 5, for an electronic licensing system is available until June 30, 2027.

(b) The appropriation in Laws 2023, chapter 60, article 1, section 3, subdivision 6, paragraph (h), for a grant to expand Minnesota's wild elk population and range is available until June 30, 2027.

Subd. 3. **Metropolitan Council appropriation extensions.** (a) The general fund appropriation in Laws 2024, chapter 116, article 1, section 5, for community tree-planting grants is available until June 30, 2027.

(b) The natural resources fund appropriation in Laws 2024, chapter 116, article 1, section 5, for grants to implementing agencies to plant trees is available until June 30, 2027.

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

Sec. 6. **APPROPRIATION; MINNESOTA ZOOLOGICAL BOARD.**

$3,800,000 in fiscal year 2026 is appropriated from the general fund to the Minnesota Zoological Board. This is a onetime appropriation.

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

Sec. 7. **APPROPRIATION; STUDY OF UNLAWFUL SHIPMENT OF INFECTIOUS OR PATHOLOGICAL WASTE.**

(a) By January 15, 2027, the commissioner of the Pollution Control Agency must submit a study to the chairs and ranking minority members of the senate and house of representatives committees and divisions with primary jurisdiction over environment and health and human services on the

unlawful transportation of infectious or pathological waste to solid waste management facilities. The study must include:

(1) an assessment of the extent and frequency of unlawful transfer of infectious or pathological waste to solid waste management facilities and an assessment of the costs associated with those unlawful transfers;

(2) a survey of a representative sample of known generators of infectious and pathological waste regarding current practices for ensuring infectious and pathological waste is segregated from other waste material as required by Minnesota Statutes, section 116.78; and

(3) recommendations for legislative or policy changes that could be adopted to reduce the frequency and cost of unlawful transfers of infectious or pathological waste, including an estimate of the costs to state agencies. In formulating these recommendations, the commissioner must consider whether the following measures might contribute to a reduction in unlawful transfers of infectious or pathological waste to solid waste management facilities:

(i) imposing fines on those who unlawfully transport infectious or pathological waste to solid waste management facilities; and

(ii) undertaking unannounced inspections of infectious or pathological waste generators.

(b) $75,000 in fiscal year 2027 is appropriated from the environmental fund to the commissioner of the Pollution Control Agency to conduct the study required by this section. This is a onetime appropriation.

Sec. 8. **TRANSFER; DEPARTMENT OF NATURAL RESOURCES.**

Upon request from the commissioner of natural resources, the commissioner of management and budget may transfer up to $1,600,000 in fiscal year 2026 from any Department of Natural Resources fiscal year 2024 or fiscal year 2025 general fund nongrant operating appropriations that were carried forward to fiscal year 2026 to the Division of Enforcement. This transfer may only be used for nonbudgeted public safety costs that occurred in fiscal year 2026. By September 15, 2026, the commissioner of natural resources must report the amount and source of the transfer authorized under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources.

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

ARTICLE 7

BATTERY STEWARDSHIP

Section 1. Minnesota Statutes 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 3b. **Battery.** "Battery" means one or more galvanic cells, including any structural members, casing, and terminals.

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

Sec. 2. Minnesota Statutes 2024, section 115A.03, is amended by adding a subdivision to read:

Subd. 10d. **Facilitate a sale.** "Facilitate a sale" means to assist a person in transferring title or possession of a product, regardless of whether title or possession is ever acquired by the person facilitating a sale, such as by operating an online marketplace, publishing an offer for sale on a website, physically storing inventory of products, entering into a contract to allow another person to list a product for sale, processing payment on behalf of another person, entering into a contract with a buyer or a seller related to a sale, or otherwise providing a sales process. Facilitate a sale does not include acting solely as:

(1) an advertiser;

(2) a payment processor; or

(3) a common carrier.

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

Sec. 3. **[115A.1331] STEWARDSHIP PROGRAM FOR COVERED BATTERIES; DEFINITIONS.**

(a) The terms used in sections 115A.1331 to 115A.1347 have the meanings given in this section and section 115A.03.

(b) "Battery-containing product" means a product:

(1) in which a covered battery is contained;

(2) to which a covered battery is attached; or

(3) with which a covered battery is packaged.

(c) "Brand" means a mark, a registered or unregistered trademark, a logo, a name, a symbol, a word, or an identifier that attributes a product to the owner or licensee of the brand.

(d) "Collection" means receipt of discarded covered batteries from a person, including sorting and storage that are necessary for receipt and that are performed by the covered battery collector. Collection does not include transport of a covered battery that occurs after a covered battery collector receives the covered battery, except for transport by the covered battery collector to or between a covered battery collection site or sites operated by the covered battery collector.

(e) "Covered battery" means a loose battery or a battery that is easily removable. A covered battery may be of any brand, type, or chemistry. A covered battery includes a covered small battery or covered medium battery. A covered battery does not include:

(1) a lead acid battery regulated under sections 325E.115 and 325E.1151;

(2) a battery designed, manufactured, and intended solely for use in a motor vehicle;

(3) a battery contained within a medical device, as specified in United States Code, title 21, section 321(h), as it existed as of the effective date of this section, that is not designed and marketed for sale or resale principally to consumers for personal use;

(4) a battery removed from a permanent, stationary, energy storage system that requires installation and removal by an electrician licensed under chapter 326B;

(5) a battery transported into the state after the battery is collected in another state; or

(6) a battery subject to recall for safety reasons.

(f) "Covered battery collection site" means a physical location where a covered battery collector collects covered batteries from other persons, regardless of whether the covered battery collector operates the location permanently, temporarily, or for purposes of a collection event.

(g) "Covered battery collector" means a person that collects covered batteries on behalf of and under agreement with a covered battery stewardship organization and receives reimbursement at the rates determined according to section 115A.1335 from a covered battery stewardship organization for the covered battery collector's costs for collection of the covered batteries.

(h) "Covered battery producer" means the following person responsible for compliance with requirements under sections 115A.1331 to 115A.1347 for a covered battery sold, including online sales, offered for sale or promotional purposes, or distributed in or into the state:

(1) for a covered battery:

(i) if the covered battery is sold, offered, or distributed under a brand owned by the person that manufactured the covered battery, the producer is the person that manufactured the covered battery;

(ii) if the covered battery is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the covered battery, the producer is the person that owned the brand;

(iii) if the covered battery is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the covered battery is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the covered battery into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the covered battery in or into the state;

(2) for a covered battery contained in, attached to, or packaged with a battery-containing product:

(i) if the battery-containing product is sold, offered, or distributed under a brand owned by the person that manufactured it, the producer is the person that manufactured the battery-containing product;

(ii) if the battery-containing product is sold, offered, or distributed under a brand owned by a person other than the person that manufactured the battery-containing product, the producer is the person that owned the brand;

(iii) if the battery-containing product is sold, offered, or distributed under a brand licensed to a person, the producer is the person that is the licensee of the brand under which the battery-containing product is sold, offered, or distributed, whether or not the brand is registered in the state;

(iv) if there is no person described in items (i) to (iii) within the United States, the producer is the person that imported the battery-containing product into the United States to be sold, offered, or distributed; and

(v) if there is no person described in items (i) to (iv), the producer is the person that first sold, offered, or distributed the battery-containing product in or into the state;

(3) notwithstanding clause (2), a producer does not include any person that manufactured, imported into the United States, or sold, offered, or distributed in or into the state a battery-containing product if the producer of the only covered batteries contained in, attached to, or packaged with the battery-containing product is named as a participant by a covered battery stewardship organization and both the person and the participant acknowledge such in writing to the covered battery stewardship organization; and

(4) notwithstanding clauses (1) and (2), a person that voluntarily assumes the responsibility of a producer of a covered battery and certifies that they have assumed the responsibility of a producer in writing to the commissioner is the producer of the covered battery.

(i) "Covered battery stewardship organization" means an organization that contracts with one or more covered battery producers to meet the producers' obligations under sections 115A.1331 to 115A.1347.

(j) "Covered battery stewardship plan" or "stewardship plan" means a plan that is prepared according to section 115A.1335 and submitted to the commissioner by a covered battery stewardship organization.

(k) "Covered battery stewardship program" means a system implemented by a covered battery stewardship organization to manage all covered batteries offered to a covered battery collector by arranging and paying for the collection, covered services, and all other activities described in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a).

(l) "Covered medium battery" means a covered battery that weighs more than 11 pounds but equal to or less than 25 pounds or has an energy capacity greater than 300 watt-hours but equal to or less than 2,000 watt-hours.

(m) "Covered medium battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (b), and (d).

(n) "Covered services" means transportation, processing, recycling, and disposal of covered batteries and residual materials after collection. Covered services does not include:

(1) repair or reuse of a covered battery by the collector; or

(2) transport of a covered battery by the covered battery collector that collected it to or between a covered battery collection site or sites that are operated by the covered battery collector.

(o) "Covered small battery" means a covered battery that weighs 11 pounds or less and has an energy capacity of 300 watt-hours or less.

(p) "Covered small battery collection site" means a covered battery collection site that meets the requirements of section 115A.1341, subdivision 1, paragraphs (a), (c), and (d).

(q) "Distribute" means to sell, offer, supply, ship, transport, or deliver a product to a person that sells, offers, supplies, ships, transports, or delivers the product in or into the state, regardless of whether title to the product is ever acquired by a person distributing the product.

(r) "Easily removable" or "easily removed" means that a battery can be removed by a single person from a product by hand or by hand and the use of only:

(1) a flathead, crosshead, or Phillips screwdriver;

(2) a paper clip;

(3) a coin; or

(4) a hex key.

(s) "Household hazardous waste management program" means a program established under section 115A.96 to collect and manage household hazardous waste, as defined in section 115A.96, that is established or operated by the agency or another public entity, including but not limited to a political subdivision, state agency, or federally recognized Tribe.

(t) "Independent auditor" means a certified public accountant that:

(1) holds a current active license under chapter 326A and rules adopted thereunder;

(2) is retained by a covered battery stewardship organization;

(3) is not otherwise employed by or affiliated with the commissioner or a covered battery stewardship organization; and

(4) is qualified to conduct an audit under section 115A.1337, subdivision 6, clause (8).

(u) "Loose battery" means a battery that is not contained in or attached to a product. A loose battery does not include a battery that is contained in an enclosure when the enclosure is not integral to the operation of the battery.

(v) "Motor vehicle" has the meaning given in section 168.002.

(w) "Participant" means a covered battery producer that is named by a covered battery stewardship organization as meeting the covered battery producer's obligations under sections 115A.1331 to 115A.1347. If one covered battery producer is named as a participant by voluntarily assuming

responsibility for a covered battery on behalf of other covered battery producers under paragraph (h), clause (4), then all those covered battery producers are also participants.

(x) "Rechargeable battery" means a battery that is designed and intended to have electrical energy added to it by electrical or physical means after use.

(y) "Residual material" means material and waste resulting from processing, recycling, or disposal of a covered battery.

(z) "Responsible market" means a market for covered batteries, for reclaimed materials from collected covered batteries, or for any other recyclable residual material from collected covered batteries that:

(1) reuses, recycles, or otherwise recovers materials and disposes of contaminants in a manner that protects the environment and minimizes risks to public health and worker health and safety;

(2) complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(3) possesses all licenses and permits required by a federal or state agency or political subdivision;

(4) if operating in the state, recycles batteries to the maximum extent practicable in accordance with section 115A.02, paragraph (b); and

(5) minimizes adverse impacts to environmental justice areas.

(aa) "Specialized covered battery recycler" means a person that, if and as applicable, is properly authorized by the commissioner or, if operating in another state or country, an equivalent state, federal, or other governmental body, to process or recycle useful materials from covered batteries.

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

Sec. 4. **[115A.1335] COVERED BATTERY STEWARDSHIP PLAN AND BUDGET.**

Subdivision 1. **Due dates.** (a) By July 1, 2027:

(1) a covered battery producer must contract with a covered battery stewardship organization to act on the covered battery producer's behalf for purposes of complying with the producer's obligations under sections 115A.1331 to 115A.1347; and

(2) a covered battery stewardship organization must:

(i) notify the commissioner that it has been designated by covered battery producers to act on their behalf; and

(ii) provide to the commissioner its identity and contact information.

(b) By January 1, 2029, a covered battery stewardship organization must submit to the commissioner a covered battery stewardship plan that meets all requirements of subdivision 2 for review under subdivision 4.

Subd. 2. **Plan content; budget requirement.** (a) A covered battery stewardship plan must include:

(1) identification of and contact information for the covered battery stewardship organization;

(2) a description and example of contracts, including a list of all parties to the contracts, that must:

(i) clearly grant the covered battery stewardship organization the authority to act on behalf of the participants that the covered battery stewardship organization represents to implement the covered battery stewardship plan;

(ii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to comply with the approved covered battery stewardship plan; and

(iii) include a statement of responsibility of the participants that the covered battery stewardship organization represents to fund the covered battery stewardship organization as necessary to implement the covered battery stewardship plan, pay for associated costs, and pay for fees and penalties assessed by the commissioner;

(3) identification of and contact information for all participants in the covered battery stewardship program;

(4) identification of and contact information for each covered battery collector or prospective covered battery collector that has agreed to operate covered battery collection sites to collect covered batteries on behalf of the covered battery stewardship organization and documentation of such agreements. A covered battery collection site may only be included in one covered battery stewardship plan at a time;

(5) identification of and contact information for each person providing covered services and the location of all facilities where covered services will be provided;

(6) identification and contact information for those persons that the covered battery stewardship organization has contracted with and that will administer and implement the covered battery stewardship program in accordance with section 115A.1337, subdivision 7. The relationship of the other persons to the covered battery stewardship organization and their role in administering and implementing the covered battery stewardship program must be described;

(7) the address, county of location, and, in a form prescribed by the commissioner, geolocation data for each covered battery collection site to be served through the covered battery stewardship organization under the covered battery stewardship program and identification of those covered battery collection sites that are operated by a household hazardous waste management program;

(8) a list of the brands covered under the covered battery stewardship program;

(9) eligibility criteria for prospective covered battery collectors;

(10) a description of how the covered battery stewardship program will provide convenient, statewide collection according to subdivision 3 without collection of covered batteries performed by collection sites on behalf of another covered battery stewardship organization;

(11) a description of how the covered battery stewardship organization will annually monitor and ensure continuing compliance with the convenience standards under subdivision 3;

(12) a description of how the covered battery stewardship organization will ensure each covered battery collector is provided with the materials specified in section 115A.1337, subdivision 1;

(13) a description of how covered battery collection sites will be accessible according to section 115A.1337, subdivision 2;

(14) the performance standards for persons providing covered services for the covered battery stewardship organization and the oversight methods by which the covered battery stewardship organization will ensure continuing compliance with the performance standards. The covered battery stewardship organization may determine performance standards, which at a minimum must:

(i) accord with clauses (17) to (20), (22), (23), and (36);

(ii) ensure that covered services other than transportation are provided only by specialized covered battery recyclers; and

(iii) ensure covered batteries and residual materials are managed through responsible markets;

(15) a description of the oversight methods by which the covered battery stewardship organization will ensure continuing compliance with the performance standards under clause (14);

(16) a description of how the covered battery stewardship organization will ensure that there are multiple persons providing covered services to ensure resiliency in the system;

(17) a description of methods by which the covered battery stewardship organization will ensure that discarded covered batteries and residual materials managed under the covered battery stewardship program are managed while in the state in compliance with rules adopted under section 116.07 for managing solid waste and hazardous waste, when applicable, and, when outside the state, with all applicable legal requirements for managing solid waste and hazardous waste, as applicable;

(18) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (17) by any person handling covered batteries under the covered battery stewardship program;

(19) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed in compliance with safety and health requirements for employees administered by the Department of Labor and Industry and with fire protection requirements administered by the Department of Public Safety while in the state and, when outside the state, with all applicable federal, state, and local employee safety and health requirements and fire protection requirements;

(20) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (19) by any person handling covered batteries under the covered battery stewardship program;

(21) a description of how the covered battery stewardship organization will ensure sufficient and timely pickup and transport of covered batteries are provided to each covered battery collection

site so that the covered battery collection site can continuously and safely collect and store covered batteries;

(22) a description of methods by which the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are transported in compliance with applicable regulations incorporated by reference under section 221.033 for transporting hazardous materials while in the state and, when outside the state, with all applicable legal requirements for transporting hazardous materials;

(23) a description of the actions the covered battery stewardship organization will take upon receiving information of potential or actual noncompliance under clause (22) by any person handling covered batteries under the covered battery stewardship program;

(24) a statement of indemnification by the covered battery stewardship organization to covered battery collectors for potential liability for improper downstream management of covered batteries or residual materials by providers of covered services arranged for by the covered battery stewardship organization and identified in the covered battery stewardship plan under clause (5);

(25) a description of how the covered battery stewardship organization will determine and annually report the quantity of covered batteries collected under the covered battery stewardship program by chemistry by weight;

(26) a description of the outreach and education methods and activities that the covered battery stewardship organization will ensure are provided according to section 115A.1337, subdivision 4;

(27) a description of how the covered battery stewardship organization will ensure that there is at least one full-time representative of the covered battery stewardship organization who is dedicated to implementing the covered battery stewardship program in this state and serves as the primary contact between the covered battery stewardship organization and the agency;

(28) the proposed reimbursement rates for covered battery collectors that are household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all costs of collection incurred by the covered battery collectors, which include but are not limited to:

(A) labor, overhead, and supplies;

(B) necessary collection and storage;

(C) employee training; and

(D) necessary safety materials;

(ii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iii) necessary safety materials described in item (i), subitem (D), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(iv) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are household hazardous waste management programs;

(29) the proposed reimbursement rates for covered battery collectors that are not household hazardous waste management programs, according to the following:

(i) the proposed reimbursement rates must cover all of the following costs of collection incurred by the covered battery collectors:

(A) necessary collection and storage;

(B) supplies;

(C) employee training; and

(D) necessary safety materials;

(ii) the proposed reimbursement rates may, on agreement with the covered battery collectors, cover costs of collection in addition to those described in item (i);

(iii) the covered battery stewardship organization may, on agreement with the covered battery collectors, provide materials or services to covered battery collectors in lieu of covering specific costs;

(iv) necessary safety materials described in item (i), subitem (C), do not include fire safety infrastructure, such as fire sprinklers or fire detection systems; and

(v) the covered battery stewardship organization must meet and agree on the proposed reimbursement rates with covered battery collectors and prospective covered battery collectors that are not household hazardous waste management programs;

(30) documentation that the covered battery collectors and prospective covered battery collectors identified in clause (4) have agreed to the proposed reimbursement rates in clauses (28) and (29);

(31) documentation that the number of covered battery collection sites identified in clause (7) to be operated by the covered battery collectors identified in clause (4) are sufficient to ensure that the covered battery stewardship organization will comply with the convenience standards of subdivision 3;

(32) a description of the system by which the covered battery stewardship organization will provide advance payment or reimbursement to covered battery collectors in a manner that provides:

(i) periodic automatic payment of reimbursements at least annually; or

(ii) a process for submitting reimbursement requests and reasonable timelines for reimbursement, at intervals no longer than monthly unless otherwise agreed to by the covered battery collector;

(33) a description of the system by which the covered battery stewardship organization will pay persons providing covered services in a manner that provides:

(i) a clear process for submitting invoices; and

(ii) reasonable timelines for payment, at intervals agreed to by the person providing covered services;

(34) a description of how the covered battery stewardship program costs will be allocated among participants, either individually or among groups of participants identified by the covered battery stewardship organization, such that the costs of managing covered batteries are allocated equitably. As part of this description, a clear assignment of responsibility for costs of managing covered batteries subject to a voluntary or mandatory recall to the participant or participants associated with those covered batteries and not other participants must be included;

(35) a description of how the covered battery stewardship organization will comply with subdivision 6, paragraph (b);

(36) a description of how the covered battery stewardship organization will ensure that covered batteries and residual materials managed under the covered battery stewardship program are managed to the maximum extent practicable in accordance with section 115A.02, paragraph (b);

(37) a description of how the covered battery stewardship organization will take actions within its purview and provide feedback for covered battery producers to enable improvements in product design and material use, technology, and personnel training that could raise the future maximum extent practicable for management described in clause (36), including consideration of covered battery reuse, repair, and product life cycle;

(38) a description of how the covered battery stewardship organization will annually report to the commissioner, by chemistry by weight, the end management through recycling or disposal of covered batteries for which the covered battery stewardship program was responsible during each calendar year; and

(39) a description of how the covered battery stewardship organization will take action to decrease the incidence of covered batteries in solid waste in the state, including providing collection opportunities under section 115A.1337, subdivision 2, paragraph (b).

(b) By January 1, 2029, and annually thereafter, a covered battery stewardship organization must submit an anticipated annual budget for the covered battery stewardship program for that calendar year, broken down into the covered battery stewardship program's estimated costs for administration, collection, sorting after collection, storage after collection, transportation after collection, processing, recycling, disposal, and communication, including the cost of fees under section 115A.1339. The budget is not subject to review and approval under subdivisions 4 and 5.

Subd. 3. **Convenience standards.** (a) A covered battery stewardship plan must provide convenient, statewide collection for all covered batteries that are offered to covered battery collectors by a person in the state, regardless of:

(1) a covered battery's type, physical size, energy capacity, or chemistry;

(2) a covered battery's brand; or

(3) the producer of a covered battery.

(b) A covered battery stewardship plan submitted by a covered battery stewardship organization must independently meet the convenience standards in paragraphs (c) to (d) without cost sharing, collaboration, or consideration of activities of another covered battery stewardship organization.

(c) For covered small batteries, a covered battery stewardship organization must:

(1) in each county with a population of 10,000 or less, maintain at least two covered small battery collection sites;

(2) in each county with a population greater than 10,000 but less than or equal to 100,000, maintain at least two covered small battery collection sites and at least one additional covered small battery collection site for each additional 10,000 in population above a population of 10,000;

(3) in each county with a population greater than 100,000, maintain at least 11 covered small battery collection sites and at least one additional covered small battery collection site for each additional 50,000 in population above a population of 100,000; and

(4) maintain a covered small battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(d) For covered medium batteries, a covered battery stewardship organization must:

(1) in each county with a population of 100,000 or less, maintain at least one covered medium battery collection site;

(2) in each county with a population greater than 100,000, maintain at least two covered medium battery collection sites and at least one additional covered medium battery collection site for each additional 100,000 in population above a population of 100,000; and

(3) maintain a covered medium battery collection site located within ten miles of the household of at least 95 percent of the residents of the state.

(e) When demonstrating compliance with paragraphs (c) and (d), a covered battery stewardship organization may count a covered medium battery collection site as a covered small battery collection site.

(f) A covered battery stewardship organization must ensure no net loss in estimated collection convenience and capacity for covered batteries from the program in place on January 1, 2026.

(g) Upon a showing by a covered battery stewardship organization that meeting the convenience standard of paragraph (c) or (d), for a specific county or development region would cause undue hardship to the covered battery stewardship organization, the commissioner may approve an alternative convenience standard if the proposed alternative convenience standard would reasonably result in equivalent covered battery collection convenience.

Subd. 4. **Review of covered battery stewardship plan; implementation.** (a) Within 120 days after receiving a complete covered battery stewardship plan submitted under this section, the commissioner must determine whether the stewardship plan complies with this section and will

ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable. The commissioner must provide a written notice of determination according to this subdivision.

(b) In conducting a review of a covered battery stewardship plan, the commissioner may consult with interested parties.

(c) For at least 30 days before approving a covered battery stewardship plan, the commissioner must place the stewardship plan on the agency's publicly accessible website for public review and comment.

(d) If the commissioner determines that a covered battery stewardship plan fails to comply with this section or will not ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must reject the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization describing the reasons for the rejection.

(e) After any consultation under paragraph (b) and review of public comments received under paragraph (c), if the commissioner determines that a covered battery stewardship plan complies with this section and will ensure that elements required by subdivision 2, paragraph (a), will be met to the maximum extent practicable, the commissioner must approve the covered battery stewardship plan. The commissioner must provide a written notice of determination to the covered battery stewardship organization and must publish the approved covered battery stewardship plan on the agency's publicly accessible website within 30 days after approval.

(f) The covered battery stewardship organization must implement the covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are approved by the commissioner according to subdivision 5, within 60 days after receiving written notice of approval.

(g) For each covered battery stewardship plan or amendment submitted to the commissioner for review, the commissioner may consider the data submitted according to section 115A.1337, subdivision 6, and other relevant information to establish requirements to improve the effectiveness, performance, and awareness of the covered battery stewardship program.

Subd. 5. **Amending or terminating a covered battery stewardship plan.** (a) A covered battery stewardship organization may amend a covered battery stewardship plan approved under subdivision 4 without review or approval by the commissioner to make the changes specified in clauses (1) to (3). Within 30 days after adopting an amendment under this paragraph, a covered battery stewardship organization must report the amendment to the commissioner and the commissioner must publish the amended stewardship plan on the agency's publicly accessible website. A covered battery stewardship organization must implement amendments made to a stewardship plan under this paragraph within 60 days after adopting the amendment. A covered battery stewardship organization may:

(1) add; terminate, when authorized under section 115A.1337, subdivision 1, if applicable; or replace a covered battery collector, collection site, person providing covered services, or facility where covered services will be performed;

(2) add or remove participants or brands covered under a covered battery stewardship plan; or

(3) change contact staff or contact staff information for a covered battery stewardship organization, participants, covered battery collectors, or persons providing covered services.

(b) Except for an amendment under paragraph (a), a covered battery stewardship plan containing any amendment must be submitted to and reviewed and approved by the commissioner before it may be implemented by a covered battery stewardship organization. The commissioner must review and approve or reject the covered battery stewardship plan containing the proposed amendment according to subdivision 4.

(c) A covered battery stewardship organization must submit an amended covered battery stewardship plan for review:

(1) at least every five years according to this subdivision and subdivision 4; or

(2) within 60 days if the commissioner determines that an amended stewardship plan is necessary to implement sections 115A.1331 to 115A.1347.

(d) A covered battery stewardship organization may terminate a covered battery stewardship plan only:

(1) by providing at least 90 days' written notice to the commissioner and to all covered battery stewardship organizations and participants in the covered battery stewardship program; and

(2) after a replacement covered battery stewardship plan submitted by the covered battery stewardship organization or a new covered battery stewardship organization is approved by the commissioner under subdivision 4.

(e) The commissioner may terminate a covered battery stewardship plan for good cause, as defined in paragraph (f). If the commissioner terminates a covered battery stewardship plan, the commissioner must provide the covered battery stewardship organization with written notice of termination describing the good cause for termination. The commissioner must also notify all participants in the covered battery stewardship program in writing of the termination, using the contact information for the participants provided in the covered battery stewardship plan.

(f) For purposes of paragraph (e), "good cause" includes but is not limited to:

(1) failure by a covered battery stewardship organization to:

(i) fully and accurately disclose required or requested information to the commissioner;

(ii) comply with the terms of sections 115A.1331 to 115A.1347; or

(iii) pay fees or penalties owed to the commissioner or comply with an order lawfully issued by the commissioner; and

(2) a finding that a covered battery stewardship organization's activities endanger human health or the environment and the danger cannot reasonably be removed by an amendment to a covered battery stewardship plan.

Subd. 6. **Compliance.** (a) A covered battery stewardship organization must comply with a covered battery stewardship plan approved by the commissioner, including any amendments to the stewardship plan that are made according to subdivision 5, paragraph (a) or (b). A covered battery stewardship organization must ensure that all participants, covered battery collectors, and persons providing covered services acting on behalf of the covered battery stewardship organization also comply with the stewardship plan and are responsible to the covered battery stewardship organization and to the commissioner for compliance.

(b) A covered battery stewardship organization must ensure that covered battery collectors are reimbursed according to the reimbursement rates approved by the commissioner according to this section and the system described in a covered battery stewardship plan.

(c) A covered battery stewardship organization must ensure that all costs of a covered battery stewardship program as specified in sections 115A.1331 to 115A.1347 are fully paid for by participants. All costs of a covered battery stewardship program must be allocated fairly between groups of participants without any fee, charge, surcharge, or any other cost to:

(1) any member of the public;

(2) any business other than a covered battery producer;

(3) any covered battery collector;

(4) any person providing covered services;

(5) the state or any political subdivision; or

(6) any other person that is not a covered battery producer.

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

Sec. 5. **[115A.1337] COVERED BATTERY STEWARDSHIP ORGANIZATION; DUTIES AND STRUCTURE.**

Subdivision 1. **Duties to covered battery collectors.** (a) A covered battery stewardship organization must ensure that the following are provided to each covered battery collector:

(1) reimbursement at the rates determined according to section 115A.1335 and the system described in a covered battery stewardship plan;

(2) pickup and transport of collected covered batteries from each covered battery collection site in sufficient time and quantity to allow a covered battery collector to safely receive covered batteries without interruption or cost to the covered battery collector;

(3) appropriate containers for storage and transportation of covered batteries and supplies necessary for the collection of covered batteries;

(4) signage to identify collection sites and the covered batteries accepted at the collection sites;

(5) training for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries; and

(6) educational materials that address the information described in subdivision 4, paragraph (a), clause (3), for distribution to members of the public and businesses in Minnesota. The educational materials must be made available in English and at least the three languages most commonly spoken at homes in the state other than English, according to the state demographer.

(b) A covered battery stewardship organizations must consider the request of a covered battery collector to perform covered services if the covered battery collector meets the performance standards in a covered battery stewardship plan under section 115A.1335, subdivision 2, paragraph (a), clause (14), and the covered battery collector and the covered battery stewardship organization agree after negotiation in good faith on the fees to be paid to the covered battery collector for performing the covered services. A covered battery stewardship plan must identify the covered battery collector as providing covered services according to section 115A.1335, subdivision 2, paragraph (a), clause (5).

(c) A covered battery stewardship organizations must allow the following persons to serve as a covered battery collector:

(1) a person that agrees to operate or continues to operate a covered battery collection site in compliance with:

(i) section 115A.1341, subdivision 1, paragraphs (a) and (d);

(ii) section 115A.1341, subdivision 1, paragraph (b) or (c), as applicable;

(iii) the conditions in section 115A.1335, subdivision 2, paragraph (a), clauses (17) to (20), (22), and (23); and

(iv) any other applicable provisions of a covered battery stewardship plan in section 115A.1335; and

(2) a household hazardous waste management program.

(d) A covered battery stewardship organization may not require a person that sells, offers for sale or promotional purposes, distributes, or facilitates a sale of a covered battery or battery-containing product in or into the state to be a covered battery collector or operate a covered battery collection site.

(e) A covered battery stewardship organization may terminate a covered battery collector, except a household hazardous waste management program, and cease payment to the covered battery collector for good cause. Good cause under this paragraph does not include accepting a battery subject to recall. A covered battery stewardship organization may suspend a covered battery collector that is a household hazardous waste management program and cease payment to the covered battery collector for good cause with the approval of the commissioner, until the commissioner determines that the household hazardous waste management program is compliant with sections 115A.1331 to 115A.1347.

Subd. 2. **Accessibility.** (a) A covered battery stewardship program must provide convenient, equitable, and accessible service to all persons in Minnesota, including but not limited to people of color; Minnesota Tribal governments as defined in section 10.65, subdivision 2; those that are non-English speaking; immigrant and refugee communities; those with limited access to transportation; and those in environmental justice areas.

(b) A covered battery stewardship program must include collection opportunities beyond those required under section 115A.1335, subdivision 3, to better serve populations under paragraph (a).

(c) Where feasible, a covered battery stewardship program must encourage establishing covered battery collection sites in proximity to local public transit.

Subd. 3. **Oversight.** A covered battery stewardship organization must ensure that covered batteries and residual materials managed under a covered battery stewardship program are managed according to the performance standards in section 115A.1335, subdivision 2, paragraph (a), clause (14), by all persons providing covered services.

Subd. 4. **Program effectiveness.** (a) To support the effectiveness of a covered battery stewardship program, a covered battery stewardship organization must provide outreach and education to:

(1) persons that might sell, offer for sale or promotional purposes, distribute, or facilitate a sale of covered batteries in or into the state, to inform them of the requirements of section 115A.1347, subdivision 2;

(2) potential covered battery collectors and persons that are collecting covered batteries before the effective date of this section to inform them how to request coverage by a covered battery stewardship program; and

(3) members of the public to raise awareness of:

(i) public health and safety and environmental risks caused by improperly charging, storing, and disposing of covered batteries;

(ii) the need to safely charge and store covered batteries;

(iii) the benefits of recycling covered batteries in contrast to disposal; and

(iv) the existence of a covered battery stewardship program and the ability to manage covered batteries at no cost, including the location and convenience of covered battery collection sites in the state.

(b) A covered battery stewardship organization must maintain a publicly accessible website to locate covered battery collection sites through map-based and text-based searches.

(c) The commissioner may determine the effectiveness of a covered battery stewardship program using information from waste composition studies under section 115A.412 and other information available to the commissioner. The commissioner may require a covered battery stewardship organization to submit for approval proposals that when implemented would decrease the incidence of covered batteries in solid waste in accordance with section 115A.1335, subdivision 2, paragraph

(a), clause (39). A covered battery stewardship organization must implement a proposal that is approved by the commissioner.

Subd. 5. **Stakeholder consultation.** (a) A covered battery stewardship organization must regularly consult with stakeholders associated with covered batteries. If there is more than one covered battery stewardship organization, each covered battery stewardship organization must jointly fulfill the requirements of this subdivision. At least one consultation meeting must occur before a covered battery stewardship plan is submitted to the commissioner.

(b) A consultation meeting is to:

(1) assist with drafting and continuous review of a covered battery stewardship organization's outreach and education activities, including but not limited to signage and educational materials; and

(2) make recommendations to a covered battery stewardship organization and the commissioner to continuously improve the effectiveness of the outreach and education activities and maximize participation in a covered battery stewardship program.

(c) A meeting must include representatives of stakeholders of a covered battery stewardship program, including but not limited to the commissioner, household hazardous waste management programs, covered battery collectors that are not household waste management programs, persons providing or that might provide covered services, producers, and other persons providing statewide representation.

Subd. 6. **Reporting.** By June 1 each year after a covered battery stewardship plan is approved under section 115A.1335, subdivision 4, a covered battery stewardship organization must report to the commissioner, in a form and manner prescribed by the commissioner, on the covered battery stewardship organization's activities during the preceding calendar year. A report must include:

(1) the address, county of location, and geolocation data for each covered battery collection site served by the covered battery stewardship program during the preceding calendar year;

(2) the chemistry by weight of covered batteries collected during each calendar year, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (25);

(3) a description by chemistry by weight of the end management through recycling or disposal of the covered batteries shipped from covered battery collection sites under the covered battery stewardship program, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (38);

(4) the method or methods of verification used by the covered battery stewardship organization to ensure that the description in clause (3) accurately reflects the actual end management of the covered batteries;

(5) the effectiveness of the covered battery stewardship organization's efforts to decrease the incidence of covered batteries in solid waste in the state, in accordance with section 115A.1335, subdivision 2, paragraph (a), clause (39);

(6) a summary of the results of the oversight according to section 115A.1335, subdivision 2, paragraph (a), clause (14);

(7) a description of outreach and education activities provided by the covered battery stewardship organization during the preceding calendar year according to subdivision 4;

(8) a financial report on the covered battery stewardship program, including actual costs and funding compared to the budget for the year submitted under section 115A.1335, subdivision 2, paragraph (b). The financial report must include an audit report of the covered battery stewardship program, including the covered battery stewardship organization and any additional covered battery stewardship organizations, by an independent auditor. The independent auditor may be selected by the covered battery stewardship organization and may be rejected by the commissioner for good cause. If the commissioner rejects an independent auditor, the covered battery stewardship organization must select a different independent auditor, which may be rejected by the commissioner for good cause;

(9) the proposed and actual budget for the period covered by the report; and

(10) starting in the second year after the covered battery stewardship organization's first covered battery stewardship plan is approved by the commissioner, and then every third year thereafter, a performance audit of the covered battery stewardship program. The performance audit must conform to audit standards established by the United States Government Accountability Office; the National Association of State Auditors, Comptrollers and Treasurers; or another nationally recognized organization approved by the commissioner.

Subd. 7. **Organization of a covered battery stewardship organization.** (a) A covered battery stewardship organization must comply with section 5.36.

(b) A covered battery stewardship organization may contract with any persons to implement or administer a portion or portions of a covered battery stewardship plan or to coordinate with a group or groups of participants.

(c) A contract established under paragraph (b) must be described under section 115A.1335, subdivision 2, paragraph (a), clause (6).

(d) Notwithstanding any contract established under paragraph (b), a covered battery stewardship organization must:

(1) submit a covered battery stewardship plan to the commissioner meeting the requirements of sections 115A.1331 to 115A.1347;

(2) submit a report to the commissioner according to subdivision 6 meeting the requirements of sections 115A.1331 to 115A.1347;

(3) serve as the single point of contact for reporting, reimbursement, and payment to the agency; and

(4) maintain all responsibility and liability for compliance with all other requirements of sections 115A.1331 to 115A.1347 applicable to a covered battery stewardship organization.

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

Sec. 6. **[115A.1339] FEES.**

Subdivision 1. **Administrative fees.** (a) By October 1, 2027, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 from July 1, 2026, to June 30, 2027.

(b) By December 1, 2027, the commissioner must assess an administrative fee and equally split the fee among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (a). A covered battery stewardship organization must pay the assessed administrative fee by the due date set by the commissioner.

(c) By April 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of July through December of the preceding calendar year. By October 1, 2028, and annually thereafter, the commissioner must calculate the sum of all costs that the agency incurred to implement and administer sections 115A.1331 to 115A.1347 during the six months of January through June of that calendar year.

(d) Notwithstanding section 16A.1283, the commissioner must semiannually assess the annual administrative fees and equally split the fees among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency's costs calculated under paragraph (c). A covered battery stewardship organization must pay the assessed administrative fees by the due dates set by the commissioner.

(e) All agency costs calculated under this subdivision may be recovered in a civil action brought by the attorney general against any person that may be liable under this subdivision or any other law. Any costs that are recovered by the attorney general, including any award of attorney fees, must be deposited in the covered battery stewardship account in the special revenue fund.

Subd. 2. **Disposition of fees.** The total amount of net fees collected under this section must not exceed the amount necessary to reimburse agency costs as calculated under subdivision 1. All fees received under subdivision 1 must be deposited in the state treasury and credited to a covered battery stewardship account in the special revenue fund. The amount collected under this section is annually appropriated to the commissioner to implement and enforce sections 115A.1331 to 115A.1347.

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

Sec. 7. **[115A.1341] COVERED BATTERY COLLECTOR DUTIES.**

Subdivision 1. **Accepting covered batteries.** (a) A covered battery collector must accept covered batteries of any brand, type, or chemistry without imposing a fee, charge, surcharge, or other cost to any person other than a covered battery stewardship organization.

(b) At a covered medium battery collection site, a covered battery collector must accept from any person daily at least:

(1) ten covered small batteries; and

(2) four covered medium batteries.

(c) At a covered small battery collection site, a covered battery collector must accept from any person daily at least ten covered small batteries.

(d) A covered battery collection site must be open to receiving covered batteries at least 12 operating hours per week, 50 weeks each calendar year.

(e) A household hazardous waste management program may accept covered batteries at any covered battery collection site that the program operates.

(f) A covered battery stewardship organization may count a covered battery collection site when demonstrating compliance with the convenience standards under section 115A.1335, subdivision 3, only if the covered battery collection site complies with paragraph (b) or (c).

Subd. 2. **Storing accepted covered batteries.** A covered battery collector must manage and store all accepted covered batteries safely and in compliance with all applicable federal, state, and local laws, including but not limited to applicable rules adopted under section 116.07 for managing solid waste and hazardous waste.

Subd. 3. **Training.** A covered battery collector must ensure and document that training is provided for covered battery collection site employees on identifying and safely handling and storing covered batteries, including damaged, defective, or recalled batteries, also known as DDR batteries. A covered battery collector may provide the training or may receive training through a covered battery stewardship organization.

Subd. 4. **Record keeping.** (a) A covered battery collector must maintain records as specified in this paragraph for at least three years and make the records available to the commissioner for inspection. The records must include the chemistry by weight of covered batteries and any additional information required by the commissioner. The records must document for each calendar year the covered batteries:

(1) accepted at a covered battery collection site; and

(2) shipped from a covered battery collection site.

(b) A covered battery collector must maintain documentation of each employee's training related to covered batteries starting on the date of training and for at least three years following the last day that the employee worked for the covered battery collector.

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

Sec. 8. **[115A.1345] OTHER AUTHORITIES AND DUTIES.**

Subdivision 1. **Limited private right of action against producers.** (a) Except as provided in paragraph (d), a covered battery stewardship organization may maintain a civil action against one or more covered battery producers to recover a portion of the covered battery stewardship organization's costs and additional amounts according to this subdivision.

(b) Damages recoverable under this subdivision may not exceed a fair share of the actual costs incurred by the plaintiff covered battery stewardship organization under sections 115A.1331 to 115A.1347; of managing covered batteries of other covered battery producers that were not participants; or that should otherwise have been due to the covered battery stewardship organization. Additional amounts recoverable under this subdivision include an award of reasonable attorney fees and costs. If a defendant covered battery producer did not participate in a covered battery stewardship program during the period when covered batteries of the defendant were managed by the plaintiff covered battery stewardship organization, a punitive sum of up to three times the damages awarded may be assessed.

(c) A plaintiff covered battery stewardship organization may establish a defendant covered battery producer's fair share of the plaintiff's actual costs by providing the court with information establishing the process by which the defendant covered battery producer's share of covered battery stewardship program costs would have been allocated had the defendant covered battery producer been a participant in the program or paid its allocated share if it was a participant. A plaintiff covered battery stewardship organization may use data from covered battery producers similar in covered battery, financial status, or market share to the defendant covered battery producer to provide the information.

(d) An action may not be commenced under this subdivision against a potential defendant until 60 days after the plaintiff provides to all potential defendants a written notice of the claim setting forth the amount of the claim and the basis for the calculation of the amount.

(e) No action may be brought under this subdivision against a person other than a covered battery producer.

(f) The commissioner may not be a party to or be required to provide assistance or otherwise participate in a civil action authorized under this subdivision unless subject to a subpoena before a court of jurisdiction.

Subd. 2. **Conduct authorized.** A covered battery producer or covered battery stewardship organization that organizes collection and covered services for covered batteries under sections 115A.1331 to 115A.1347 is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the covered battery producer's or covered battery stewardship organization's chosen system.

Subd. 3. **Duty to retain and provide information.** (a) Upon request of the commissioner for purposes of implementing sections 115A.1331 to 115A.1347, 115A.9157, or 325E.125, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

(b) A covered battery stewardship organization must retain any information referenced in a covered battery stewardship plan or report required under section 115A.1337 for at least three years after the termination of the covered battery stewardship plan.

Subd. 4. **Contracts.** (a) Any person awarded a contract under chapter 16C for purchase or lease of covered batteries that is found to be in violation of sections 115A.1331 to 115A.1347 is subject to the following sanctions:

(1) the contract must be voided if the commissioner of administration determines that the potential adverse impact to the state is exceeded by the benefit obtained from voiding the contract; and

(2) the contractor is subject to suspension and disbarment under Minnesota Rules, part 1230.1150.

(b) If the attorney general establishes that any money, property, or benefit was obtained by a contractor as a result of violating sections 115A.1331 to 115A.1347, the court may, in addition to any other remedy, order the disgorgement of the unlawfully obtained money, property, or benefit.

Subd. 5. **Multistate implementation.** The commissioner may participate in establishing a regional multistate organization or compact to assist in carrying out the requirements of sections 115A.1331 to 115A.1347.

Subd. 6. **Rules.** The commissioner may adopt rules to implement sections 115A.1331 to 115A.1347. The 18-month time limit under section 14.125 does not apply to rulemaking under this subdivision.

Subd. 7. **Batteries subject to recall for safety reasons.** All costs for receipt, sorting, storage, transport, processing, recycling, and disposal of a battery subject to recall for safety reasons that would otherwise be a covered battery are the responsibility of the person that would otherwise be the covered battery producer of the battery. A covered battery stewardship organization may charge that person for any costs incurred by the covered battery stewardship organization managing such a battery. The covered battery stewardship organization may take action under subdivision 1 to recover such costs. A covered battery stewardship organization is responsible only for collection and management of such a battery if received by a covered battery collector, and not any other actions associated with recall of the battery.

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

Sec. 9. **[115A.1347] DISPOSAL PROHIBITIONS; BATTERY LABELING; COVERED BATTERY SALES RESTRICTION.**

Subdivision 1. **Disposal prohibition.** (a) A person may not place a covered battery into:

(1) solid waste; or

(2) a recycling container that a covered battery collector, or another person that will ensure proper management of collected covered batteries, has not clearly marked for use for collecting covered batteries.

(b) A person must manage a covered battery that is discarded by delivering the covered battery to a covered battery collection site or to a recycling facility for covered batteries.

(c) Until recycled, covered batteries are not exempt from any applicable rules adopted under section 116.07 for managing hazardous waste.

(d) An owner or operator of a waste facility or recycling facility may only be found in violation of paragraph (a) or (b) for a covered battery placed by another person if:

(1) the commissioner first determines that the owner or operator has not complied with the applicable requirements of the solid waste permit issued by the commissioner or established by rule, such as requirements for the management of materials that are prohibited for placement in solid waste; and

(2) the owner or operator does not immediately remove and properly manage the covered battery when the owner or operator discovers it.

Subd. 2. **Labeling and sale; requirements.** (a) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery in or into the state unless the covered battery is labeled as required under clauses (1) and (2). Labeling under this paragraph must be permanently marked on or affixed to the covered battery and must use language, graphics, or a QR code. A QR code must be compliant with International Organization of Standardization 18004:2015 and access equivalent data via the Internet that is available without a fee or a requirement to create an account. The labeling must identify:

(1) the battery chemistry employed to store energy in the battery; and

(2) the manufacturer of the battery or the brand under which the battery will be sold.

(b) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state unless:

(1) the covered battery producer is named as a participant in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a);

(2) the brand is named as covered in a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e), or 5, paragraph (a); or

(3) the covered battery stewardship organization with which the covered battery producer is a participant has obtained approval of reimbursement rates according to section 115A.1335.

(c) A person may not sell, including online sales; offer for sale or promotional purposes; distribute; or facilitate a sale of a covered battery or a battery-containing product in or into the state if the covered battery stewardship plan under which the covered battery was covered has been terminated under section 115A.1335, subdivision 5, until a new covered battery stewardship plan is approved under section 115A.1335, subdivision 4.

(d) This subdivision does not apply to sales, including online sales; offers for sale or promotional purposes; distribution; or facilitation of a sale of a used covered battery or used battery-containing product.

(e) A person is not in violation of paragraph (b) or (c) if, within six months before the date the person sells, offers for sale or promotional purposes, distributes, or facilitates a sale of a covered battery or battery-containing product in or into the state, a covered battery stewardship plan published on the agency's publicly accessible website under section 115A.1335, subdivision 4, paragraph (e),

or 5, paragraph (a), identified the covered battery producer as a participant or the brand as covered in a covered battery stewardship program.

EFFECTIVE DATE. This section is effective July 1, 2029.

Sec. 10. Minnesota Statutes 2024, section 115A.554, is amended to read:

115A.554 AUTHORITY OF SANITARY DISTRICTS.

A sanitary district has the authorities and duties of counties within the district's boundary for purposes of sections 115A.0716; 115A.46, subdivisions 4 and 5; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; ~~115A.961;~~ 116.072; 375.18, subdivision 14; 400.04; 400.06; 400.07; 400.08; 400.16; and 400.161.

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

Sec. 11. Minnesota Statutes 2024, section 115A.9157, is amended to read:

115A.9157 RECHARGEABLE BATTERIES AND PRODUCTS.

Subdivision 1. **Definition.** ~~For the purpose of this section, "rechargeable battery" means a sealed nickel-cadmium battery, a sealed lead-acid battery, or any other rechargeable battery, except a rechargeable battery governed by section 115A.9155 or exempted by the commissioner under subdivision 9.~~ The terms used in this section have the meanings given in sections 115A.03 and 115A.1331.

Subd. 2. **Prohibition.** ~~Effective August 1, 1991, a person may not place in mixed municipal solid waste a rechargeable battery, a rechargeable battery pack, a product with a nonremovable rechargeable battery, or a product powered by rechargeable batteries or rechargeable battery pack, from which all batteries or battery packs have not been removed.~~ A person may not place a product powered by rechargeable batteries in solid waste unless all batteries have been removed from the product.

Subd. 3. **Collection and management costs.** A manufacturer of ~~rechargeable batteries or~~ products powered by rechargeable batteries that are not easily removable from the products is responsible for the costs of collecting and managing its ~~waste rechargeable batteries and waste~~ products under subdivision 5 to ensure that the products and batteries are not part of the solid waste stream.

Subd. 5. **Collection and management programs.** (a) ~~By September 20, 1995, the manufacturers~~ A manufacturer under subdivision 3 or their representative organization shall implement a permanent ~~programs, based on the results of the pilot projects required in Minnesota Statutes 1994, section 115A.9157, subdivision 4,~~ program that may be reasonably expected to collect 90 percent of the ~~waste rechargeable batteries and the~~ participating ~~manufacturers'~~ manufacturer's products powered by rechargeable batteries that are not easily removable from the products and that are generated as waste in the state. The ~~batteries and~~ products collected must be recycled or otherwise managed or disposed of properly.

(b) In every odd-numbered year ~~after 1995~~, each manufacturer or a representative organization shall provide information to the commissioner and the senate and house of representatives committees having jurisdiction over environment and natural resources and environment and natural resources finance that specifies at least the estimated amount of battery-containing products powered by rechargeable batteries that are not easily removed from the products subject to this section ~~sold~~ generated as waste in the state by ~~each~~ manufacturer ~~and~~, the amount of ~~batteries each~~ such products collected during the previous two years, and the methodology used to calculate those amounts. A representative organization may report the amounts in aggregate for all the members of the organization.

Subd. 6. ~~**List of participants**~~ **Program notice.** A manufacturer or its representative organization shall inform the commissioner and the committees listed in subdivision 5 when they begin ~~participating in the projects and programs~~ implementing a program under subdivision 5 and immediately if they ~~withdraw participation~~ stop implementing a program.

Subd. 7. **Contracts.** A manufacturer or a representative organization of manufacturers may contract with ~~the state or a political subdivision~~ any person to provide collection services under this section. The manufacturer or organization shall fully reimburse the ~~state or political subdivision~~ person for the value of any contractual services rendered under this subdivision.

Subd. 8. **Anticompetitive conduct.** A manufacturer or organization of manufacturers and its officers, members, employees, and agents who participate in ~~projects or programs to collect and properly manage waste rechargeable batteries or products powered by rechargeable batteries~~ a program under this section are immune from liability under state law relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce for activities related to the collection and management of ~~batteries and~~ products required under this section.

~~Subd. 9. **Exemptions.** To ensure that new types of batteries do not add additional hazardous or toxic materials to the mixed municipal solid waste stream, the commissioner of the agency may exempt a new type of rechargeable battery from the requirements of this section if it poses no unreasonable hazard when placed in and processed or disposed of as part of a mixed municipal solid waste.~~

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

Sec. 12. Minnesota Statutes 2024, section 116.92, subdivision 6, is amended to read:

Subd. 6. **Mercury thermometers prohibited.** (a) A manufacturer, wholesaler, or retailer may not sell or distribute at no cost a thermometer containing mercury that was manufactured after June 1, 2001.

(b) Paragraph (a) does not apply to an electronic thermometer with a battery containing mercury if the battery is in compliance with ~~section 325E.125~~ subdivision 8l.

(c) A manufacturer is in compliance with this subdivision if the manufacturer:

(1) has received an exclusion or exemption from a state that is a member of the Interstate Mercury Education and Reduction Clearinghouse (IMERC) for replacement parts when no alternative is available or for an application when no feasible alternative is available;

(2) submits a copy of the approved exclusion or exemption to the commissioner; and

(3) meets all of the requirements in the approved exclusion or exemption for the manufacturer's activities within the state.

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

Sec. 13. Minnesota Statutes 2024, section 116.92, is amended by adding a subdivision to read:

Subd. 8l. **Ban; mercury in batteries.** A person may not sell, offer for sale, or distribute in or into the state:

(1) an alkaline manganese battery that contains mercury that is not a button cell nonrechargeable battery;

(2) a nonrechargeable button cell battery that contains more than 25 milligrams of mercury; or

(3) a dry cell battery containing a mercuric oxide electrode.

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

Sec. 14. Minnesota Statutes 2024, section 325E.125, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** ~~A manufacturer of rechargeable batteries or products powered by rechargeable batteries that does not participate in the pilot projects and programs required in section 115A.9157~~ A person may not sell, including online sales, facilitate a sale of, distribute, or offer for sale in or into this state rechargeable batteries or products powered by rechargeable batteries ~~after January 1, 1992.~~

~~After January 1, 1992, a person who first purchases rechargeable batteries or products powered by rechargeable batteries for importation into the state for resale may not purchase rechargeable batteries or products powered by rechargeable batteries made by any person other than a~~ that are not easily removable unless the manufacturer ~~that~~ participates in the ~~projects and programs~~ program required under section 115A.9157.

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

Sec. 15. Minnesota Statutes 2024, section 325E.1251, subdivision 2, is amended to read:

Subd. 2. **Recovery of costs.** Section 325E.125 may be enforced under ~~section~~ sections 115.071 and 116.072. In an enforcement action under this section in which the state prevails, the state may recover reasonable administrative expenses, court costs, and attorney fees incurred to take the enforcement action, in an amount to be determined by the court.

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

Sec. 16. **REPEALER.**

Minnesota Statutes 2024, sections 115A.9155; 115A.961, subdivisions 1, 2, and 3; 325E.125, subdivisions 1, 2, 2a, 3, and 4; and 325E.1251, subdivision 1, are repealed.

ARTICLE 8

ENERGY FINANCE

Section 1. Minnesota Statutes 2024, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c);

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; ~~and~~

(11) to acquire interests in real or personal property, including easements, environmental covenants under chapter 114E, and leases, that the agency determines are necessary for corrective actions or to ensure the protectiveness of corrective actions. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this clause. Agency approval of an environmental covenant under chapter 114E is sufficient evidence of acceptance of an interest in real property when the agency is expressly identified as a holder in the covenant. Acquisition of real property under this clause, except environmental covenants under chapter 114E, is subject to approval by the board~~.~~<u>; and</u>

<u>(12) to partially reimburse the cost of replacing pressurized single-walled steel piping related equipment in underground petroleum storage tank systems under section 115C.09, subdivision 3l.</u>

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, $3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, $6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to $225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 2. Minnesota Statutes 2024, section 115C.09, is amended by adding a subdivision to read:

Subd. 3l. **Reimbursement; single-walled steel piping.** (a) For the purposes of this subdivision, the following terms have the meanings given:

(1) "eligible equipment" means all equipment between the underground petroleum storage tank and the dispenser, including piping, probes, monitors, pumps, containment, and electrical equipment to support the equipment. Eligible equipment does not include underground petroleum storage tanks, dispensers, canopies, site improvements, or signage replacement;

(2) "eligible location" means an underground petroleum storage tank system that is located in Minnesota, has pressurized single-walled steel piping, and was installed before the effective date of this subdivision; and

(3) "qualified person" means someone who is registered as a contractor under sections 115C.11 to 115C.12 and, as part of the person's trade or business, installs or repairs pressurized underground petroleum storage tank systems.

(b) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, for replacement projects beginning after January 1, 2027, the board must reimburse an owner 50 percent of the cost of replacing existing eligible equipment at eligible locations with eligible equipment that meets all current applicable federal and Minnesota regulations and standards, provided that:

(1) the owner considered at least two bids and selected the bid with the lowest total cost; and

(2) the board determines that the costs incurred were reasonable.

(c) The board must not reimburse costs that the board determines were unreasonable.

(d) Reimbursement under paragraph (b) must not exceed $100,000 per eligible location.

(e) The maximum annual expenditure from the fund established under section 115C.08 for purposes of this subdivision must not exceed $4,000,000.

(f) An owner that owns or operates multiple eligible locations must not receive reimbursement for more than two eligible locations per calendar year.

(g) An owner may be reimbursed for the costs of:

(1) all eligible equipment;

(2) labor completed by a qualified person and associated with eligible equipment installation;

(3) labor completed by a qualified person and associated with dirt and concrete work directly associated with installing eligible equipment; and

(4) permits, freight, and shipping directly related to eligible equipment.

(h) Nothing in this subdivision prohibits an owner from receiving reimbursement from other sources for costs that are not reimbursed under this subdivision.

(i) This subdivision expires June 30, 2037.

Sec. 3. Minnesota Statutes 2025 Supplement, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. A public utility serving low-income residential ratepayers who use natural gas or service from a thermal energy network, as defined in section 216B.2427, subdivision 1, for heating must file an affordability program with the commission.

(b) Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills;

(2) increase participating customer payments over time by increasing the frequency of payments;

(3) decrease or eliminate participating customer arrears;

(4) lower the utility costs associated with customer account collection activities; and

(5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

(1) the percentage of income that participating households devote to energy bills;

(2) service disconnections; and

(3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

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

Sec. 4. **[216B.2429] THERMAL ENERGY NETWORKS.**

Subdivision 1. **Definitions.** For the purposes of this section, "thermal energy network" or "TEN" has the meaning given in section 216B.2427, subdivision 1.

Subd. 2. **Thermal energy network service.** A public utility may offer service by a thermal energy network.

Subd. 3. **Cost recovery.** A public utility must, subject to commission review and approval, recover reasonable and prudently incurred costs of implementing an approved TEN in a general rate case or, before December 31, 2036, in a thermal energy network service rider.

Subd. 4. **TEN consumer protection.** A utility's provision of service by a TEN is subject to the same laws, protections, and commission authority to which a utility's provision of natural gas service is subject under this chapter.

Subd. 5. **TEN siting; priorities.** In assessing locations at which to site a TEN, a utility must give preference to an area:

(1) whose residents have expressed a desire to have a TEN installed;

(2) whose characteristics resemble those of an area in which a successful TEN was completed under a natural gas innovation plan filed under section 216B.2427; or

(3) that includes or is within an environmental justice area, as defined in section 116.065, subdivision 1, paragraph (e).

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

Sec. 5. **[216C.392] SUPPLEMENTAL ENERGY ASSISTANCE GRANT PROGRAM.**

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

(b) "Crisis grant" means a grant to a low-income household to prevent shut-off of residential energy services, reinstate residential energy services, or enable delivery of residential fuels.

(c) "LIHEAP" has the meaning given in section 142G.02, subdivision 59.

(d) "Primary energy grant" means a grant to help a low-income household maintain and continue affordable energy service.

Subd. 2. **Establishment.** A supplemental energy assistance grant program is established in the department to award grants to eligible applicants. The purpose of the program is to assist low-income households experiencing energy burden to pay the costs of heating, cooling, and other home energy costs throughout the year.

Subd. 3. **Applications; procedures.** (a) The commissioner must develop policies and procedures governing the grant application and award process, and must leverage existing LIHEAP application processes and infrastructure to the maximum degree practicable.

(b) An eligible applicant must file an application with the commissioner on a form developed by the commissioner. The form must be available to eligible applicants in both a paper and electronic format.

Subd. 4. **Eligibility.** (a) A Minnesota resident whose household income is below the income eligibility threshold identified in the Minnesota LIHEAP Detailed Model Plan submitted to the United States Department of Health and Human Services for the applicable program year is eligible to receive a grant award under this section. If the LIHEAP Detailed Model Plan is not available, the commissioner may develop a similar income eligibility threshold.

(b) An organization with experience conducting outreach for programs designed for low-income households is eligible for grants awarded under subdivision 6, clause (4).

Subd. 5. **Grant awards.** (a) When awarding grants under this section, the commissioner may give priority to expanding the number of households receiving energy assistance over increasing grant amounts to households that already received assistance under LIHEAP during the same year.

(b) To the extent practicable, available LIHEAP funds must be awarded to all eligible applicants for primary energy and crisis grants before energy and crisis grants are awarded under this section.

Subd. 6. **Types of grants.** The commissioner may award grants under this section for:

(1) crisis grants to households that received a LIHEAP primary energy grant from federal funds but did not receive the maximum crisis grant amount while federal funds allocated for crisis grants were available;

(2) primary energy and crisis grants to eligible households that did not receive LIHEAP primary energy and crisis grants from federal funds;

(3) emergency heating system repair or replacement; and

(4) outreach activities.

Subd. 7. **Reporting.** (a) Beginning January 31, 2028, and annually thereafter until January 31, 2030, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and finance that documents state supplemental energy assistance grant awards made under this section during the previous program year from October 1 to September 30.

(b) To the extent practicable, the following information on grants awarded under this section must be reported by statewide total, by county, and by census tract within cities with populations over 30,000:

(1) the number of households awarded a grant;

(2) the number of households served that did not receive a LIHEAP primary energy grant;

(3) the average primary energy grant award;

(4) the average crisis grant award; and

(5) average annual costs of heating and electricity for households served.

(c) The following information on grants awarded under this section may be reported as statewide totals:

(1) the average household income of grant recipients;

(2) a distribution of grant awards by grant recipients' household income, expressed as a percentage of the federal poverty level established by the United States Department of Health and Human Services;

(3) the number of households that include a person over 60 years old;

(4) the number of households that include a disabled person;

(5) the number of households that include a child under six years old; and

(6) the number of households served by race or ethnicity.

(d) A report under this section must comply with chapter 13, including provisions establishing data on individuals as not public in order to ensure the individual privacy of applicants.

Sec. 6. **APPROPRIATION; PUBLIC UTILITIES COMMISSION.**

$40,000 in fiscal year 2027 is appropriated from the general fund to the Public Utilities Commission for thermal energy network services provided under Minnesota Statutes, section 216B.2429.

Sec. 7. **APPROPRIATION; DEPARTMENT OF COMMERCE.**

(a) $15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of commerce for the supplemental energy assistance grant program under Minnesota Statutes, section 216C.392. This is a onetime appropriation and is available until December 31, 2029.

(b) Of the amount appropriated in paragraph (a):

(1) up to 12.5 percent may be used for staffing and other costs associated with administering the supplemental energy assistance grant program under Minnesota Statutes, section 216C.392, including program planning and preparation, reviewing applications and verifying information, and entering data into a central electronic system maintained by the Department of Commerce. Of this funding, up to 2.5 percent may be used by the Department of Commerce. The remaining amount allocated under this clause may be used to reimburse reasonable administrative costs incurred under Minnesota Statutes, section 216C.392, by service providers contracted by the Department of Commerce to deliver LIHEAP services; and

(2) up to five percent may be used to reimburse the reasonable costs incurred under Minnesota Statutes, section 216C.392, by organizations the department has contracted with to provide outreach and assistance to households to complete grant applications under Minnesota Statutes, section 216C.392. Priority for grants awarded under this clause must be given to organizations that have the ability to conduct outreach to underserved communities and populations, including current service providers and other organizations.

ARTICLE 9

RENEWABLE DEVELOPMENT FINANCE

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

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

APPROPRIATIONS
Available for the Year

	Ending June 30 2026	2027
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	$ -0-	$ 22,335,000

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

Subd. 2. **Microgrid Research and Application**

$800,000 the second year is for a grant to the University of St. Thomas Center for Microgrid Research, which must be used to:

(1) increase the center's capacity to provide industry partners with opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges. This appropriation is available until June 30, 2029.

Subd. 3. **Green Hydrogen Project**

$3,500,000 the second year is for a grant to the city of St. Cloud for the Green Hydrogen Project to incorporate a battery and renewable energy system. This appropriation is available until June 30, 2029.

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

$5,000,000 the second year is for a grant to Ramsey/Washington Recycling and Energy, in partnership with Dem-Con HZI Bioenergy, LLC, to construct an anaerobic digester energy system in Louisville Township. For

the purposes of this subdivision, "anaerobic digester energy system" means a facility that uses diverted food and organic waste to create renewable natural gas and biochar. This appropriation is available until June 30, 2029.

Subd. 5. **Como Zoo Geothermal Energy System**

$2,250,000 the second year is for a grant to Como Zoo in the city of St. Paul to construct a geothermal energy system that provides space heating and cooling to the large cats building. For the purposes of this subdivision, "geothermal energy system" means a system composed of a heat pump that moves a heat-transferring fluid through piping embedded in the earth and absorbs the earth's constant temperature, a heat exchanger, and ductwork to distribute heated and cooled air to a building. This appropriation is available until June 30, 2029.

Subd. 6. **Minnesota Energy Alley**

(a) $2,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative. The initiative is designed to promote energy innovation through supporting energy entrepreneurs and emerging businesses to commercialize energy solutions by matching promising innovators with established and trustworthy Minnesota-based public and private partners to demonstrate emerging technologies in real-world applications. The grant may be used to provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This appropriation is available until June 30, 2028.

(b) By January 15, 2028, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the house of representatives and senate

committees with jurisdiction over energy finance and policy on the activities and accomplishments of the Minnesota Energy Alley initiative during the previous fiscal year and the disposition of this appropriation, including a separate statement of the amount of administrative costs.

Subd. 7. **Ammonia, Hydrogen, and Renewable Energy Certificate Tracking**

(a) $2,000,000 the second year is for a grant to CleanCounts for technology that enables tradable ammonia, hydrogen, and renewable energy certificates.

(b) Beginning January 1, 2027, and through January 1, 2031, an entity that receives a grant under this subdivision must submit a report to the legislative auditor that details how the grant money received has been spent.

(c) Beginning January 1, 2031, and through January 1, 2036, an entity that receives a grant under this subdivision must report to the commissioners of commerce and agriculture regarding the number of ammonia certificates issued in Minnesota as a result of the grant money received.

(d) This appropriation is available until June 30, 2029.

Subd. 8. **Great Plains Institute**

$500,000 the second year is for a grant to the Great Plains Institute for work related to identifying existing and future areas of the state that are suitable for additional distributed ammonia production and that have nearby wind or other curtailed power. This appropriation is available until June 30, 2029.

Subd. 9. **Macalester College Geothermal Energy System**

(a) $2,570,000 the second year is for a grant to Macalester College in St. Paul to construct

an aquifer-based geothermal energy system that provides space heating and cooling to a new campus residence hall and welcome center, with the capacity for future expansion to serve as a district heating and cooling plant for all campus buildings north of Grand Avenue. This appropriation is available until June 30, 2029.

(b) For purposes of this section, "aquifer-based geothermal energy system" means a system composed of wells that access underground aquifers, heat pumps that transfer thermal energy between buildings and the aquifer, heat exchangers, and associated distribution infrastructure.

Subd. 10. **Biomass Energy Facility**

(a) $715,000 the second year is for a grant to Liberty Paper, Inc. to study and plan for an anaerobic digester or a biomass thermal generation facility in the city of Becker. This is a onetime appropriation and is available until June 30, 2029.

(b) For purposes of this section, the following terms have the meanings given: (1) "anaerobic digester" means a facility that uses diverted food and organic waste to generate renewable natural gas and biochar; (2) "biochar" means a solid substance, made from burning organic material, that sequesters carbon and is capable of being used as a soil application; and (3) "biomass thermal generation facility" means a facility that generates energy for commercial heat or industrial process heat from the combustion of organic material.

Subd. 11. **Geothermal Energy System; The Heights Community Energy**

(a) $3,000,000 in the second year is for a grant to The Heights Community Energy to construct a geothermal energy system.

(b) For purposes of this section, "geothermal energy system" means a system composed

of one or more heat pumps connected to piping embedded in the earth that exchanges thermal energy with the earth and associated distribution and building mechanical infrastructure to provide heating and cooling to one or more buildings.

Subd. 12. **Grant Administration**

Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may use up to $250,000 of the amount in this section for the administrative costs of the grants in this section.

Sec. 3. **UNIVERSITY OF MINNESOTA** **$ -0- $ 2,900,000**

(a) $1,500,000 the second year is for research, development, outreach, and demonstration of energy systems that use hydrogen and ammonia production from renewable energy resources and other sources of clean energy as a means of storing and generating electricity. This appropriation is available until June 30, 2029.

(b) $650,000 the second year is for the Natural Resources Research Institute to evaluate the state's geological hydrogen potential. The evaluation must include: (1) the availability of the mined hydrogen resource; (2) the feasibility of extracting the hydrogen from underground deposits; (3) the potential groundwater management challenges; and (4) cost-effective strategies for storing and transporting mined hydrogen. The Natural Resources Research Institute must submit the evaluation and an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance by May 15, 2028, and a final report by May 15, 2029.

(c) $750,000 the second year is for the Natural Resources Research Institute to evaluate new feedstock resources for a globally competitive, next generation iron

ore industry. The study must include but is not limited to quantification and characterization of resources related to iron ore, energy, water, hydrogen, biomass, carbon materials, process technologies, transportation, and manufacturing infrastructure that support cross-coupling of iron production with industries such as liquid fuels and ammonia. The Natural Resources Research Institute must submit the results of the study and an interim report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance by May 15, 2028, and a final report by May 15, 2029.

Sec. 4. **POLLUTION CONTROL AGENCY** **$** **-0-** **$** **3,000,000**

$3,000,000 the second year is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase equipment to facilitate the disposal of wood that is infested by emerald ash borer. This appropriation is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of the Pollution Control Agency may use up to $25,000 of the amount in this section for the administrative costs of this grant.

Sec. 5. **DEPARTMENT OF AGRICULTURE** **$** **-0-** **$** **4,000,000**

$4,000,000 the second year is for a grant to TalusAg for the production and operation of at least two green fertilizer production systems located in Minnesota. This appropriation is available until June 30, 2029. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of agriculture may use up to $25,000 of the amount in this section for the administrative costs of this grant.

Sec. 6. **PUBLIC UTILITIES COMMISSION** **$** **-0-** **$** **300,000**

(a) $300,000 the second year is to contract with a third party to conduct a study to inform policymakers regarding the potential impact of new nuclear generation on the public interest of Minnesota, including affordability, reliability, environmental protection, public health, and equitable outcomes.

(b) The commission must issue a competitive request for proposals and contract with an independent, qualified entity or consortium with demonstrated expertise in relevant subject matter, and with no material financial interest in the expansion of nuclear generation. The commission must ensure balanced representation of perspectives in the study. The selected entity must disclose any potential conflicts of interest to the commission. If the commission determines that issuing a competitive request for proposals would unreasonably delay completion of the study within the required timeline, the commission may contract on a sole-source basis, provided that the selected entity meets the qualifications and independence requirements under this paragraph.

(c) The study must be completed no later than January 30, 2027, and must include, at a minimum, discussion of:

(1) changes in federal regulations governing the licensing of nuclear-powered facilities that may speed the review and approval process;

(2) technological advances made with respect to conventional nuclear-powered facilities that affect safety and cost;

(3) full life cycle costs, including capital costs, financing costs, construction risk, cost overruns, decommissioning costs, waste management, and long-term liability exposure compared to alternative resource options. The analysis must include historical

evidence from comparable projects in the United States and internationally;

(4) ratepayer impacts where new nuclear generation has been developed, including effects on electricity rates, cost and schedule overruns, and the allocation of financial risk between ratepayers and developers;

(5) public finance protections such as public subsidies, tax expenditures, and financial incentives required, and the opportunity cost of those public investments;

(6) the prospects for small modular reactors and factory-built portable modules with a capacity up to 300 megawatts, including:

(i) the types of technologies available;

(ii) current licensing status; and

(iii) estimated costs;

(7) siting issues, including:

(i) the degree to which the requirement for proximity to water resources sufficient for cooling purposes restricts possible locations of nuclear facilities, and what locations meeting that requirement are available in this state;

(ii) the potential for colocating nuclear facilities with businesses that demand very large amounts of electricity;

(iii) the environmental impacts of nuclear facilities, including impacts on the health of nearby residents;

(iv) the prospects for acceptance of nuclear facilities by host communities, and best practices for engaging communities on this issue; and

(v) how interconnection and transmission issues affect potential plant locations;

(8) nuclear waste issues, including:

(i) the amount and toxicity of radioactive waste produced by both conventional nuclear technologies and small modular reactors;

(ii) the costs of on-site storage;

(iii) the prospects for developing permanent storage of radioactive waste at either a federally owned or privately owned repository to which Minnesota's waste could be transported; and

(iv) the feasibility and cost of reprocessing nuclear waste;

(9) the economic impacts of various nuclear technologies on a host community, including:

(i) increased employment levels during construction and operations;

(ii) increased local economic activity resulting from purchases made by the nuclear-powered facility and the facility's employees; and

(iii) potential tax revenue to local communities, local schools, and the state;

(10) impacts of new nuclear-powered electric generating plants on public safety officials and emergency responders in host communities and adjacent areas with respect to emergency planning efforts;

(11) system integration, including impacts on grid flexibility, compatibility with high levels of renewable energy, ramping capability, and implications for achieving Minnesota's greenhouse gas reduction goals;

(12) how new nuclear generation could accelerate or delay achievement of, and assist or hinder ongoing compliance with, Minnesota's statutory greenhouse gas reduction and carbon-free electricity goals, including comparison of deployment timelines;

(13) expected timelines from permitting through operation, including historical averages and delays for similar projects;

(14) current Minnesota statutes and administrative rules that would require modification in order to enable the construction and operation of advanced nuclear reactors;

(15) the feasibility of replacing retiring generation assets in host communities with advanced nuclear reactors; and

(16) the workforce required and available, and the training capacity necessary to construct and operate new nuclear reactors.

(d) The study must be conducted transparently, with all data, assumptions, and models publicly available.

(e) No later than February 1, 2027, the commission must submit the study to the chairs and ranking minority members of the senate and house of representatives committees responsible for energy policy and finance.

Sec. 7. **TRANSFERS.**

(a) $2,000,000 in fiscal year 2027 is transferred from the renewable development account in the special revenue fund to the geothermal planning grant account under Minnesota Statutes, section 216C.47, subdivision 3. This is a onetime transfer.

(b) $4,465,000 in fiscal year 2027 is transferred from the renewable development account in the special revenue fund to the preweatherization account under Minnesota Statutes, section 216C.264, subdivision 1c. This is a onetime transfer.

ARTICLE 10

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. **WORKFORCE DEVELOPMENT FUND APPROPRIATIONS.**

Subdivision 1. **Appropriations.** The amounts specified in the following subdivisions are appropriated from the workforce development fund to the commissioner of employment and economic development for the purposes specified in each subdivision. The appropriations are in fiscal year 2027 and onetime. Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 14, and

116J.035, subdivision 7, the commissioner may use up to three percent of the amounts appropriated for administrative costs.

Subd. 2. **Wallin Education Partners.** $100,000 is for a grant to Wallin Education Partners to support its career development program, which provides career exploration, skill building, mentoring, direct talent pipeline development, and early employment readiness for underresourced participants. Money may also be used to expand Wallin's construction and health care pathways programs, which offer advising, hands-on learning, and work-based experience to prepare participants for careers in construction and health care.

Subd. 3. **New Pathways.** $130,000 is for a grant to New Pathways in Cambridge to support preemployment and job readiness programming for families with children experiencing homelessness. Money may be used to provide individualized employment preparation, resume and job application assistance, interview readiness, and connections to local employers and training programs. This programming must help parents overcome barriers to employment while working toward stable housing and self-sufficiency through case management, family education, and partnerships with community resources.

Subd. 4. **People Serving People.** $250,000 is for a grant to People Serving People in Minneapolis to provide preemployment and job readiness services for parents and adults experiencing homelessness. Money may be used for resume and cover letter writing support, job search and application assistance, mock interviews, interview and work clothing, uniform and licensure fee assistance, technology access, financial fitness classes, and child care and transportation support to help families overcome barriers to employment, achieve financial stability, and build pathways to long-term self-sufficiency.

Subd. 5. **Local News Talent Pipeline Program.** $250,000 is for a grant to the Minnesota News Media Institute for a local news talent pipeline program, a statewide initiative to encourage Minnesotans to seek careers in journalism and local news operations and strengthen the capacity of Minnesota news outlets. Grant money must be used by the recipients to provide paid internships with Minnesota newspapers, television and radio broadcasters, and digital news platforms for individuals to gain experience in reporting, editing, media design, and other operational functions. To the extent practicable, the Minnesota News Media Institute should seek a balanced geographic distribution of grants and allocation of grants across different news mediums. The Minnesota News Media Institute must consult with local Minnesota-based news organization associations, including the Minnesota Broadcasters Association and Minnesota Newspaper Association, on the administration of the grant program. The Minnesota News Media Institute may retain up to five percent of funding to cover administrative expenses of operating the grant program.

Subd. 6. **Appetite for Change.** $150,000 is for a grant to Appetite For Change for the Youth Training and Opportunities Program to provide workforce training for local youth in urban agriculture, culinary arts, and leadership development.

Subd. 7. **180 Degrees.** $250,000 is for a grant to 180 Degrees, serving teens in Hennepin, Ramsey, Stearns, Carver, and Olmsted Counties and surrounding areas, to support youth and young adult employment readiness and exposure to career opportunities. Money may be used for career exploration, resume development, mock interviews, and work readiness training that fosters hope,

self-sufficiency, and positive career pathways for young people at risk of or experiencing homelessness, helping them break cycles of poverty and avoid exploitation or chronic instability.

Subd. 8. **The Cookie Cart.** $300,000 is for a grant to The Cookie Cart for earn and learn workforce training for youth ages 14 to 18 to provide life, leadership, and employment skills through on-the-job and classroom experiences in a nonprofit bakery.

Subd. 9. **Hmong American Partnership.** $500,000 is for a grant to the Hmong American Partnership for job training and employment services.

Subd. 10. **Getting to Work Grant Program.** $1,000,000 is for the getting to work grant program under Minnesota Statutes, section 116J.545.

Subd. 11. **Enterprise Minnesota, Inc.** $2,000,000 is for a grant to Enterprise Minnesota, Inc., to directly invest in Minnesota manufacturers under the Made in Minnesota program under Minnesota Statutes, section 116O.115, and for operations of Enterprise Minnesota, Inc.

Sec. 2. **RURAL CANCER INSTITUTE PILOT PROGRAM APPROPRIATION MODIFICATION.**

(a) The appropriation for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), must prioritize Minnesota clinicians and students. The Rural Cancer Institute may work with clinicians and students from elsewhere in the United States if the clinician or student receives the recommendation of a practicing Minnesota oncologist and all care is provided in Minnesota.

(b) The appropriations in fiscal years 2026 and 2027 for the Rural Cancer Institute pilot program in Laws 2025, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (bbb), are available until June 30, 2028.

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

ARTICLE 11

LABOR APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

Subdivision 1. **Appropriations.** The amounts specified in the following subdivisions are appropriated from the general fund to the commissioner of labor and industry for the purposes specified in each subdivision.

Subd. 2. **Additional support for Safe Workplaces for Meat and Poultry Processing Workers Act.** $163,000 in fiscal year 2027 is for one added full-time equivalent position to support activities under the Safe Workplaces for Meat and Poultry Processing Workers Act under Minnesota Statutes, sections 179.87 to 179.877.

Subd. 3. **Suitable seating enforcement.** $200,000 in fiscal year 2027 is for enforcement of Minnesota Statutes, section 181.995.

ARTICLE 12

LABOR POLICY

Section 1. Minnesota Statutes 2024, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 177.50, 179.86, 181.02, 181.03, 181.031, 181.032, 181.10, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.64, 181.722, 181.723, 181.79, 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 181.995, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner. For the purposes of this subdivision, an employer includes a contractor that has assumed a subcontractor's liability within the meaning of section 181.165.

Sec. 2. Minnesota Statutes 2024, section 181.03, subdivision 6, is amended to read:

Subd. 6. **Retaliation.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for asserting rights or remedies under this section, sections 177.21 to 177.44, 181.01 to 181.723, ~~or~~ 181.79, or 181.995, including, but not limited to, filing a complaint with the department or telling the employer of the employee's intention to file a complaint. In addition to any other remedies provided by law, an employer who violates this subdivision is liable for a civil penalty of not less than $700 nor more than $3,000 per violation.

Sec. 3. **[181.995] SUITABLE SEATING FOR EMPLOYEES.**

Subdivision 1. **Suitable seating for employees required.** An employer must provide suitable seating for employees and must permit the use of those seats by employees when the nature of the work reasonably permits the use of seats. For purposes of this section, "suitable seating" means an adequate number of seats placed in reasonable proximity to the work area and includes chairs, benches, or stools.

Subd. 2. **Enforcement.** This section shall be enforced by the commissioner under section 177.27. A violation of this section is subject to a penalty of up to $250 for each violation.

Subd. 3. **Effect on other laws.** Nothing in this section shall be construed to affect any provision of law relating to occupational health and safety or in any way diminish the coverage of laws relating to pregnancy, disability, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

ARTICLE 13

STATE GOVERNMENT APPROPRIATIONS

Section 1. Laws 2023, chapter 70, article 20, section 12, as amended by Laws 2023, chapter 75, section 13, and Laws 2024, chapter 127, article 67, section 15, is amended to read:

Sec. 12. **COMMISSIONER OF MANAGEMENT**		~~**3,412,000**~~
AND BUDGET	**$ 12,932,000**	**$ 2,412,000**

(a) **Outcomes and evaluation consultation.** $450,000 in fiscal year 2024 and $450,000 in fiscal year 2025 are for outcomes and evaluation consultation requirements.

(b) **Department of Children, Youth, and Families.** $11,931,000 in fiscal year 2024 and ~~$2,066,000~~ $1,066,000 in fiscal year 2025 are to establish the Department of Children, Youth, and Families. This is a onetime appropriation.

(c) **Health care subcabinet.** $551,000 in fiscal year 2024 and $664,000 in fiscal year 2025 are to hire an executive director for the health care subcabinet and to provide staffing and administrative support for the health care subcabinet.

(d) **Base level adjustment.** The general fund base is $1,114,000 in fiscal year 2026 and $1,114,000 in fiscal year 2027.

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

Sec. 2. **APPROPRIATION; ATTORNEY GENERAL.**

$1,231,000 in fiscal year 2027 is appropriated from the general fund to the attorney general for the Medicaid Fraud Control Unit.

Sec. 3. **APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

$1,925,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of administration for grants to public television stations for operations. Of this amount, $350,000 is

for a grant to Pioneer PBS; $475,000 is for a grant to Lakeland PBS; $650,000 is for a grant to KSMQ; $250,000 is for a grant to PBS North; and $200,000 is for a grant to Prairie Public television.

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

ARTICLE 14

BOARD OF BARBER EXAMINERS

Section 1. Minnesota Statutes 2024, section 154.001, subdivision 2, is amended to read:

Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber Examiners is established to consist of four barber members and one public member, as defined in section 214.02, appointed by the governor.

(b) The barber members shall be persons who have practiced as registered barbers in this state for at least five years immediately prior to their appointment; shall be graduates from the 12th grade of a high school or have equivalent education, and shall have knowledge of the matters to be taught in registered barber schools, as set forth in section 154.07. ~~One of the barber members shall be a member of, or recommended by, a union of journeymen barbers that has existed at least two years, and one barber member shall be a member of, or recommended by, a professional organization of barbers.~~

Sec. 2. Minnesota Statutes 2024, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) practical examination ~~and certificate~~, registered barber, ~~$85~~ $80;

~~(2) retake of written examination, $10;~~

(2) initial barber registration, $80;

(3) examination and certificate, instructor, $180;

(4) certificate, instructor, $65;

(5) temporary teacher permit, $80;

(6) temporary registered barber, military, $85;

(7) temporary barber instructor, military, $180;

(8) renewal of registration, registered barber, $80;

(9) renewal of registration, instructor, $80;

(10) renewal of temporary teacher permit, $65;

(11) student permit, $45;

(12) renewal of student permit, $25;

(13) initial shop registration, $85;

(14) initial school registration, $1,030;

(15) renewal shop registration, $85;

(16) renewal school registration, $280;

(17) restoration of registered barber registration, $95;

(18) restoration of shop registration, $105;

(19) change of ownership or location, $55;

(20) duplicate registration, $40;

(21) home study course, $75;

(22) letter of registration verification, $25; and

(23) reinspection, $100.

(c) If the board uses a board-approved examination provider for any portion of the comprehensive registered barber examination and the provider charges a fee, an examinee must pay the fee directly to the provider. A fee charged by a provider under this paragraph is separate from and not included in the fees that an examinee pays to the board.

Sec. 3. Minnesota Statutes 2024, section 154.01, is amended to read:

154.01 REGISTRATION MANDATORY.

(a) The registration of the practice of barbering serves the public health and safety of the people of the state of Minnesota by ensuring that individuals seeking to practice the profession of barbering are appropriately trained in the use of the chemicals, tools, and implements of barbering and demonstrate the skills necessary to conduct barber services in a safe, sanitary, and appropriate environment required for infection control.

(b) No person shall practice, offer to practice, or attempt to practice barbering without a current certificate of registration as a registered barber, issued ~~pursuant to provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(c) A registered barber must only provide barbering services in a registered barber shop or barber school, unless prior authorization is given by the board.

(d) No person shall operate a barber shop unless it is at all times under the direct supervision and management of a registered barber and the owner or operator of the barber shop possesses a current shop registration card, issued to the barber shop establishment address~~, under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

(e) No person shall serve, offer to serve, or attempt to serve as an instructor of barbering without a current certificate of registration as a registered instructor of barbering or a temporary permit as an instructor of barbering, as provided for the board by rule, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners. Barber instruction must be provided in registered barber schools only.

(f) No person shall operate a barber school unless the owner or operator possesses a current certificate of registration as a barber school, issued ~~under sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ by the Board of Barber Examiners.

Sec. 4. Minnesota Statutes 2024, section 154.02, subdivision 1, is amended to read:

Subdivision 1. **What constitutes barbering.** Any one or any combination of the following practices when done upon the head, face, and neck for cosmetic purposes and not for the treatment of disease or physical or mental ailments and when done for payment directly or indirectly or without payment for the public generally constitutes the practice of barbering within the meaning of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter: to shave the face or neck using a straight razor or other tool, trim the beard, clean, condition, cut, color, shape, or straighten the hair of any person of either sex for compensation or other reward received by the person performing such service or any other person; to give facial and scalp massage with oils, creams, lotions, or other preparations either by hand or mechanical appliances; to singe, shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils, clays, or lotions to hair, scalp, face, or neck. The removal of hair through the process of waxing is not barbering.

Sec. 5. Minnesota Statutes 2024, section 154.02, subdivision 4, is amended to read:

Subd. 4. **Certificate of registration.** A "certificate of registration" means the certificate issued to an individual, a barber shop, or a barber school that is in compliance with ~~the requirements of sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter.

Sec. 6. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 7. **Straight razor.** A straight razor is a razor with a rigid steel cutting blade or a replaceable blade that is hinged to a case that forms a handle when the razor is open for use.

Sec. 7. Minnesota Statutes 2024, section 154.02, is amended by adding a subdivision to read:

Subd. 8. **Waxing.** Waxing is the process of removing hair from a part of the body by applying wax and peeling off the wax.

Sec. 8. Minnesota Statutes 2024, section 154.05, is amended to read:

154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED BARBER.

~~(a)~~ A person is qualified to receive a certificate of registration as a registered barber if the person:

(1) ~~has successfully completed ten grades of education~~ is at least 17 years of age;

(2) has successfully completed 1,500 hours of study of which 281 hours are classroom hours and 1,219 hours are practical hours in a board-approved barber school; and

(3) has passed ~~an~~ a comprehensive examination ~~conducted by the board~~ in accordance with section 154.09 to determine the person's fitness to practice barbering.

~~(b) A first-time applicant for a certificate of registration to practice as a registered barber who fails to pass the comprehensive examination conducted by the board and who fails to pass a onetime retake of the written examination, shall complete an additional 500 hours of barber education before being eligible to retake the comprehensive examination as many times as necessary to pass.~~

Sec. 9. Minnesota Statutes 2024, section 154.07, subdivision 1, is amended to read:

Subdivision 1. **Admission requirements; course of instruction.** No barber school shall be approved by the board unless ~~it~~ the barber school requires, ~~as a prerequisite to admission, ten grades of an approved school or its equivalent, as determined by educational transcript, high school diploma, high school equivalency certificate, or an examination conducted by the commissioner of education, which shall issue a certificate that the student has passed the required examination, and unless it requires,~~ as a prerequisite to graduation, a course of instruction of at least 1,500 hours of not more than ten hours of schooling in any one working day. The course of instruction must include the following subjects: scientific fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of the head, face, and neck; elementary chemistry relating to sanitation; disinfection; sterilization and antiseptics; diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening of hair.

Sec. 10. Minnesota Statutes 2024, section 154.07, is amended by adding a subdivision to read:

Subd. 7. **Application review process.** (a) Upon receipt of an application to establish a barber school, the board must consider the application during a meeting that is open to the public. At the meeting, the applicant must demonstrate that:

(1) the contents of the application are true, as required by chapter 154 and the rules of the board; and

(2) the applicant has sufficient financial resources to fund the barber school.

(b) The board may deny an application if the board determines that the applicant's financial resources would be insufficient to:

(1) maintain and operate a barber school; and

(2) ensure that the barber school would be open long enough for all registered students to graduate from the barber school.

Sec. 11. Minnesota Statutes 2024, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Each applicant for an examination shall:

(1) make an application to the Board of Barber Examiners or a board-approved examination provider on blank forms prepared and furnished by ~~it, the application to~~ the board or the board-approved provider. The application must contain proof under the applicant's oath of the particular qualifications and identity of the applicant;

(2) provide all documentation required in support of the application;

(3) pay to the board the required fee; ~~and~~

(4) upon acceptance of the notarized application, present a corresponding government-issued photo identification when the applicant appears for the examination~~.~~; and

(5) file an application with the board no later than the twentieth day of the month preceding the month when the practical portion of the exam is administered.

Sec. 12. Minnesota Statutes 2024, section 154.09, is amended to read:

154.09 EXAMINATIONS, CONDUCT AND SCOPE.

Subdivision 1. **Examination dates.** The board or a board-approved examination provider shall conduct practical examinations of applicants for certificates of registration to practice as registered barbers not more than ~~six~~ eight times each year, at such time and place as the board may determine. ~~Additional~~ Written examinations may be scheduled ~~by the board~~ and conducted by board staff or a board-approved provider as designated by the board.

Subd. 2. **Documentation required.** The ~~proprietor~~ owner or operator of a barber school must file an affidavit with the board of hours completed by students applying to take the ~~registered barber~~ comprehensive examination. Students must complete the full 1,500-hour curriculum in a barber school approved by the board ~~within the past four years~~ to be eligible for the examination. ~~Barber students who have completed barber school more than four years prior to application, that have not obtained a barber registration, license, or certificate in any jurisdiction must complete an additional 500 hours of barber school education to be eligible for the registered barber examination.~~

Subd. 3. **Examinations for registration restoration.** ~~Registered barbers that fail~~ An individual who fails to renew ~~their~~ the individual's barber registration for four or more years ~~are~~ is required to purchase and complete the "Home Study Course for Barbers" program that was prepared and approved by the board before the individual is eligible to apply to take the ~~registered barber~~ comprehensive examination to reinstate the individual's registration.

Subd. 4. **Examinations for individuals seeking reciprocity.** An individual who must pass the comprehensive examination under section 154.11 must purchase and complete the "Home Study

Course for Barbers" program that was prepared and approved by the board before the individual is eligible to take the comprehensive examination.

Subd. 5. **Contents of examination.** The comprehensive examination ~~of applicants for certificates of registration as barbers shall~~ must include:

(1) a practical ~~demonstration~~ portion that consists of a haircut and three of the following practical services that the board shall determine: a shave, a beard trim, a shampoo, a perm wrap, a facial, or a color application; and

(2) a written ~~test. The examination must cover~~ portion that covers the subjects taught in barber schools ~~registered with the board, including~~ as required by this chapter, applicable state ~~statute~~ statutes, and ~~rule~~ rules.

Subd. 6. **Examination grading.** The comprehensive examination must be graded as follows:

(1) the grading for the practical portion of the examination must be on a scale of one to 100, with 100 representing a perfect score. A score of 75 must be the minimum passing grade for the haircut portion and 75 must be the minimum passing score for the average of the remaining parts of the practical examination; and

(2) the minimum passing score for the written portion of the examination is 75 percent.

Subd. 7. **Failure of examination.** (a) An individual who does not pass one portion of the comprehensive examination within a year of passing the other portion of the comprehensive examination must retake the entire comprehensive examination.

(b) An individual who has failed a portion of the comprehensive examination may retake that portion of the examination within a year of passing the other portion after meeting the requirements of this chapter, paying any required fees, and making an application to the board as required by section 154.08.

Sec. 13. Minnesota Statutes 2024, section 154.11, subdivision 1, is amended to read:

Subdivision 1. **Examination of nonresidents.** (a) A person who meets all of the requirements for barber registration in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter and either has a currently active license, certificate of registration, or equivalent as a practicing barber or instructor of barbering as verified from another state or, if presenting foreign country credentials as verified by a board-approved professional credential evaluation provider, which in the discretion of the board has substantially the same requirements for registering barbers and instructors of barbering as required ~~by sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ in this chapter shall, upon payment of the required fee, be issued a certificate of registration without examination.

(b) Individuals without a current documented license, certificate of registration, or equivalent, as verified in paragraph (a), must have a minimum of 1,500 hours of barber education as verified by the barber school attended in the other state or if presenting foreign country education as verified by a board-approved professional credential evaluation provider, completed within the previous four years, which, in the discretion of the board, has substantially the same requirements as required

in ~~sections 154.001, 154.002, 154.003, 154.01 to 154.162, 154.19 to 154.21, and 154.24 to 154.28~~ this chapter will be eligible for examination.

(c) Individuals unable to meet the requirements in paragraph (a) or (b) shall be subject to all the requirements of section 154.05.

Sec. 14. Minnesota Statutes 2024, section 154.11, is amended by adding a subdivision to read:

Subd. 4. **Examination of cosmetologists.** (a) A person may be credited with up to 1,000 hours of study toward the 1,500 hours of study required under section 154.05 if the person:

(1) has hours of study that the board determines are substantially similar to the requirements in section 154.07;

(2) has a currently active license verified by the issuing state or a certificate of registration verified by the issuing state, or equivalent, as a practicing cosmetologist; or

(3) has credentials as a practicing cosmetologist from a foreign country that are verified by a board-approved professional credential evaluation provider and the board has determined that the foreign country's curriculum requirements are substantially similar to the requirements in section 154.07.

(b) After a person with credited hours under paragraph (a) completes the remaining required hours in a board-approved barber school and meets the requirements of section 154.05, clause (1), the person is eligible for the comprehensive examination.

Sec. 15. **REPEALER.**

Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, and 5; 2100.5300; and 2100.6000, are repealed.

ARTICLE 15

BOARD OF COSMETOLOGIST EXAMINERS

Section 1. Minnesota Statutes 2024, section 155A.20, is amended to read:

155A.20 BOARD OF COSMETOLOGIST EXAMINERS CREATED; TERMS.

(a) A Board of Cosmetologist Examiners is established to consist of seven members, appointed by the governor as follows:

(1) two cosmetologists, one of whom is recommended by a professional association of cosmetologists, nail technicians, and estheticians;

(2) two school instructors, one of whom is teaching at a public cosmetology school in the state and one of whom is teaching at a private cosmetology school in the state;

(3) one advanced practice esthetician;

(4) one nail technician; and

(5) one public member, as defined in section 214.02.

(b) All cosmetologist, advanced practice esthetician, and nail technician members must be currently licensed in the field of cosmetology, nail technology, or ~~esthetology,~~ advanced practice esthiology in Minnesota~~,~~; have practiced in the licensed occupation for at least five years immediately prior to their appointment~~, be graduates from grade 12 of high school or have equivalent education,~~; and have knowledge of sections 155A.21 to 155A.36 and Minnesota Rules, chapters 2105 and 2110.

(c) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements ~~shall~~ must be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations ~~shall~~ must be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal ~~shall~~ must serve during the unexpired term of their predecessors.

Sec. 2. Minnesota Statutes 2024, section 155A.23, subdivision 4, is amended to read:

Subd. 4. **Cosmetologist.** A "cosmetologist" is any person who, for compensation, performs ~~the~~ personal services~~, as defined in subdivision 3~~ for the cosmetic care of the hair, nails, and stratum corneum of the epidermal layer of the skin surface.

Sec. 3. Minnesota Statutes 2024, section 155A.23, subdivision 5, is amended to read:

Subd. 5. **Esthetician.** An "esthetician" is any person who, for compensation, performs personal services for the cosmetic care of the stratum corneum of the epidermal layer of the skin surface only.

Sec. 4. Minnesota Statutes 2024, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician, advanced practice esthetician, hair technician, nail technician ~~practitioner~~, or eyelash technician, and who has a manager license and provides any services under that license, as defined in subdivision 3.

Sec. 5. Minnesota Statutes 2024, section 155A.23, subdivision 9, is amended to read:

Subd. 9. **Salon.** A "salon" is an indoor area, room, or rooms employed to offer personal services, as defined in subdivision 3. ~~"Salon"~~ Salon does not include the home of a customer but the board may adopt health and infection control rules governing practice in the homes of customers.

Sec. 6. Minnesota Statutes 2024, section 155A.23, subdivision 10, is amended to read:

Subd. 10. **School.** A "school" is a place where ~~any person operates and maintains a class to teach~~ cosmetology instruction or training is offered to the public for compensation. ~~"School"~~ School does not include a place ~~where the only teaching of cosmetology is done by a licensed cosmetologist as part of a community education program of less than ten hours duration, provided that the program does not permit practice on persons other than students in the program, and provided that the program is intended solely for the self-improvement of the students~~ that only offers continuing education

according to this chapter, additional instruction or training to licensees on services within the licensee's scope of practice, or community education programs for personal enrichment and not as preparation for professional practice.

Sec. 7. Minnesota Statutes 2024, section 155A.23, is amended by adding a subdivision to read:

Subd. 10a. **School administrator.** "School administrator" means the proprietor, if the applicant is a proprietorship; the managing partner, if the applicant is a partnership; the authorized officers, if the applicant is a corporation, association, company, firm, society, or trust; or the dean, principal, or other authorized signatory, if the applicant is a school in the Minnesota State Colleges and Universities system or a secondary school.

Sec. 8. Minnesota Statutes 2024, section 155A.23, subdivision 18, is amended to read:

Subd. 18. **Practitioner.** A "practitioner" is any person licensed as an operator or manager in the practice of cosmetology, esthiology, advanced practice esthiology, hair technology services, nail technology services, or eyelash technology services.

Sec. 9. Minnesota Statutes 2024, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) $195 initial practitioner, manager, or instructor license, divided as follows:

(i) $155 for each initial license; and

(ii) $40 for each initial license application fee;

(2) $115 renewal of practitioner license, divided as follows:

(i) $100 for each renewal license; and

(ii) $15 for each renewal application fee;

(3) $145 renewal of manager or instructor license, divided as follows:

(i) $130 for each renewal license; and

(ii) $15 for each renewal application fee;

(4) $350 initial salon license, divided as follows:

(i) $250 for each initial license; and

(ii) $100 for each initial license application fee;

(5) $225 renewal of salon license, divided as follows:

(i) $175 for each renewal; and

(ii) $50 for each renewal application fee;

(6) $4,000 initial school license, divided as follows:

(i) $3,000 for each initial license; and

(ii) $1,000 for each initial license application fee; and

(7) $2,500 renewal of school license, divided as follows:

(i) $2,000 for each renewal; and

(ii) $500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, $150;

(2) manager and owner with expired practitioner or instructor found on inspection, $150 each;

(3) expired practitioner or instructor found on inspection, $200;

(4) expired salon found on inspection, $500;

(5) expired school found on inspection, $1,000;

(6) failure to display current license, $100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, $500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, $500;

~~(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, $500;~~

~~(10) owner and manager allowing an operator to work as an independent contractor, $200;~~

~~(11) operator working as an independent contractor, $100;~~

~~(12)~~ (9) refusal or failure to cooperate with an inspection, $500;

~~(13)~~ (10) practitioner late renewal fee, $45; and

~~(14)~~ (11) salon or school late renewal fee, $50.

(d) Administrative fees are as follows:

(1) homebound service permit, $50 three-year fee;

(2) name change, $20;

(3) certification of licensure, $30 each;

(4) duplicate license, $20;

~~(5) special event permit, $75 per year;~~

~~(6) $100~~ (5) no fee for ~~each~~ a temporary military license for a cosmetologist, nail technician, esthetician, ~~or~~ advanced practice esthetician ~~one-year fee~~, or eyelash technician;

~~(7)~~ (6) expedited initial individual license, $150;

~~(8)~~ (7) expedited initial salon license, $300;

~~(9)~~ (8) instructor continuing education provider approval, $150 each year; and

~~(10)~~ (9) practitioner continuing education provider approval, $150 each year.

Sec. 10. Minnesota Statutes 2024, section 155A.25, subdivision 3, is amended to read:

Subd. 3. **Other licenses.** A licensee who applies for licensing in a second category ~~shall~~ must pay the full license fee and application fee for the second category of license. If maintaining more than one license, a licensee must pay the renewal and application fee for each license except as provided in section 155A.27, subdivision 6b.

Sec. 11. Minnesota Statutes 2024, section 155A.25, subdivision 5, is amended to read:

Subd. 5. **Board must approve or deny application; timeline.** Within 15 working days of receiving a complete application and the required fees, if any, to apply for or renew an individual or salon license that is not an expedited license or a military license, the board must (1) issue the license, (2) deny the license and notify the applicant of the denial, or (3) if the conditions in subdivision 6 are met, notify the applicant that the board must conduct additional review.

Sec. 12. Minnesota Statutes 2024, section 155A.25, subdivision 7, is amended to read:

Subd. 7. **Temporary military license or expedited license.** Within five business days of receiving a completed application and the required fees, if any, for an individual or salon license that meets requirements for an expedited license or a temporary military license, the board must: (1) issue the license; (2) deny the license and notify the applicant of the denial; or (3) notify the applicant that the board must conduct additional review if the application meets the conditions in subdivision 8.

Sec. 13. Minnesota Statutes 2024, section 155A.27, subdivision 5a, is amended to read:

Subd. 5a. **Temporary military license.** The board ~~shall~~ must establish temporary licenses for a cosmetologist, a hair technician, a nail technician, an eyelash technician, an esthetician, and an advanced practice esthetician in accordance with section 197.4552, subdivision 2. A temporary license issued under section 197.4552, subdivision 2, is valid for a three-year licensing period. The board must only issue one temporary license per applicant.

Sec. 14. Minnesota Statutes 2024, section 155A.27, is amended by adding a subdivision to read:

Subd. 6a. **Instructor license renewal.** (a) When issuing an instructor license to an individual who holds an operator or a salon manager license in the same classification, the board must extend the expiration date of the operator or salon manager license so that both licenses in the same classification expire on the same date.

(b) When an individual simultaneously renews an instructor license and an operator or a salon manager license in the same classification, the board must charge the individual only the instructor renewal license and renewal application fee according to section 155A.25, subdivision 1a, paragraph (b), clause (3), and must not charge a fee for renewing the operator or salon manager license.

EFFECTIVE DATE. This section is effective January 1, 2028.

Sec. 15. Minnesota Statutes 2024, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, a hair technician, an advanced practice esthetician, a nail technician, an esthetician, or an eyelash technician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, ~~and~~ has passed a board-approved theory and practice-based examination, and has passed the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses ~~shall~~ must not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least three years and have passed a board-approved theory and practice-based examination~~,~~ and the Minnesota-specific written operator examination ~~for cosmetologist, hair technician, nail technician, esthetician~~. If a test is used to verify the qualifications ~~of trained cosmetologists~~, the test ~~should~~ must be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country ~~shall~~ must supply official English-language translations of all required documents from a board-approved source.

Sec. 16. Minnesota Statutes 2024, section 155A.27, is amended by adding a subdivision to read:

Subd. 11. **Reciprocity for barbers.** A person who is a registered barber under chapter 154 may be granted credit up to 500 hours, as determined by a Minnesota-licensed cosmetology school, toward the required hours of study for a license in cosmetology or hair technology if the person:

(1) provides the cosmetology school with a verification of registration issued from the Minnesota Board of Barber Examiners verifying that the person has an active Minnesota barber registration; and

(2) holds an active Minnesota barber registration at the time that the person applies for a license in cosmetology or hair technology.

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

Sec. 17. Minnesota Statutes 2024, section 155A.271, subdivision 2, is amended to read:

Subd. 2. **Continuing education providers.** (a) Only a board-licensed school of cosmetology, a postsecondary institution as ~~defined~~ described in section 136A.103, subdivision 1, paragraph (a), or a board-recognized professional association organized under chapter 317A may be approved by the board to offer continuing education for credit under subdivision 1, paragraph (a). Continuing education under subdivision 1, paragraph (b), may be offered by a:

(1) board-licensed school of cosmetology;

(2) board-recognized professional association organized under chapter 317A; or

(3) board-licensed salon.

An approved school or professional association may offer web-based continuing education instruction to achieve maximum involvement of licensees. Continuing education providers are encouraged to offer classes available in foreign language formats.

(b) Board approval of any continuing education provider is valid for one calendar year and is contingent upon submission and preapproval of the lesson plan or plans with learning objectives for the class to be offered and the payment of the application fee in section 155A.25, subdivision 1a, paragraph (d), clause ~~(10)~~ (9). The board ~~shall~~ must maintain a list of approved providers and courses on the board's website. The board may revoke authorization of a continuing education provider at any time for just cause and the board may demand return of documents required under subdivision 3.

Sec. 18. Minnesota Statutes 2024, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** The conditions and process by which a salon is licensed ~~shall~~ must be established by the board by rule. In addition to those requirements, ~~no~~ a license ~~shall~~ must not be issued unless the board first determines that the conditions in clauses (1) to (4) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of infection control, health, and safety;

(2) the ~~employment~~ appointment of a manager, as defined in section 155A.23, subdivision 8;

(3) if applicable, evidence of compliance with workers' compensation section 176.182; and

(4) evidence of continued professional liability insurance coverage of at least $25,000 for each claim and $50,000 total coverage for each policy year for each ~~operator~~ practitioner.

Sec. 19. Minnesota Statutes 2024, section 155A.30, subdivision 3, is amended to read:

Subd. 3. **Applications.** Application for a license ~~shall~~ must be prepared on forms furnished by the board and ~~shall~~ must contain the following and such other information as may be required:

(1) the name of the school, together with ownership and controlling officers, members, and managing employees;

(2) the specific fields of instruction which will be offered and reconciliation of the course content and length to meet the minimum standards, as prescribed in subdivision 2;

(3) the place or places where instruction will be given;

(4) a listing of the equipment available for instruction in each course offered;

(5) the maximum enrollment to be accommodated;

(6) a listing of instructors, all of whom ~~shall~~ must be licensed as provided in section 155A.27, subdivision 2, except that any school may use occasional instructors or lecturers who would add to the general or specialized knowledge of the students but who need not be licensed;

(7) a current balance sheet, income statement or documentation to show sufficient financial worth and responsibility to properly conduct a school and to assure financial resources ample to meet the school's financial obligations;

(8) other financial guarantees ~~which~~ that would assure protection of the public as determined by rule; and

(9) a copy of all written ~~material which~~ materials that the school uses ~~to solicit prospective students, including but not limited to a tuition and fee schedule, and all catalogues, brochures and other recruitment advertisements. Each school shall annually, on a date determined by the board, file with the board any new or amended materials which it has distributed during the past year~~ for prospective student enrollment, including the enrollment contract, the student handbook, and tuition and fee information.

Sec. 20. Minnesota Statutes 2024, section 155A.30, subdivision 4, is amended to read:

Subd. 4. **Verification of application.** Each application ~~shall~~ must be signed and certified to under oath by ~~the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust~~ a school administrator as defined in section 155A.23, subdivision 10a.

Sec. 21. Minnesota Statutes 2024, section 155A.30, subdivision 5, is amended to read:

Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the board first determines that the applicant has met the requirements in clauses (1) to (9):

(1) the applicant must have a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and to maintain proper use and support of the school;

(2) the applicant must have satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(3) the applicant must employ a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(4) the premises and conditions under which the students work and study must be sanitary, healthful, and safe according to modern standards;

(5) each occupational course or program of instruction or study must be of such quality and content as to provide education and training that will adequately prepare enrolled students for testing, licensing, and entry level positions;

(6) the school must have coverage by professional liability insurance of at least $25,000 per incident and an accumulation of $150,000 for each premium year;

(7) the applicant ~~shall~~ must provide evidence of the school's compliance with section 176.182;

(8) the applicant, except the state and its political subdivisions as described in section 13.02, subdivision 11, must file with the board a continuous corporate surety bond in the amount of no less than ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than $10,000, conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. New schools must base the bond amount on the anticipated gross income from student tuition, fees, and other required institutional charges for the third year of operation, but in no event less than $10,000. The applicant must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. The bond ~~shall~~ must run to the board and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The surety of the bond may cancel it upon giving 60 days' notice in writing to the board and ~~shall~~ must be relieved of liability for any breach of condition occurring after the effective date of cancellation; and

(9) the applicant must appoint a designated school manager.

Sec. 22. Minnesota Statutes 2024, section 155A.30, subdivision 6, is amended to read:

Subd. 6. **Fees; renewals.** (a) Applications for initial license under sections 155A.21 to 155A.36 ~~shall~~ must be accompanied by a nonrefundable application fee set forth in section 155A.25.

(b) License duration ~~shall~~ must be three years. Each renewal application ~~shall~~ must be accompanied by a nonrefundable renewal fee set forth in section 155A.25.

(c) Application for renewal of license ~~shall~~ must be made as provided in rules adopted by the board and on forms supplied by the board.

Sec. 23. Minnesota Statutes 2024, section 155A.30, subdivision 7, is amended to read:

Subd. 7. **Inspections.** All schools may be inspected as often as the board considers necessary to affirm compliance. The board ~~shall have~~ has the authority to assess the cost of the inspection to the school.

Sec. 24. Minnesota Statutes 2024, section 155A.30, subdivision 8, is amended to read:

Subd. 8. **List of licensed schools; availability.** The board ~~shall~~ must maintain and make available to the public a list of licensed schools.

Sec. 25. Minnesota Statutes 2024, section 155A.30, subdivision 9, is amended to read:

Subd. 9. ~~**Separation of** **School and** **professional departments**~~ **salon separation.** A school ~~shall~~ must display in the entrance reception room of ~~its~~ the school's student section a sign prominently and conspicuously indicating that all work therein is ~~done~~ performed exclusively by students. ~~Professional departments of a school shall be run~~ Any salon or business on the same premises as a school must be operated as an entirely separate and distinct ~~businesses~~ business and ~~shall~~ must have a separate ~~entrances.~~ entrance from the school. If a salon or business is located on the same premises as a school: (1) staff of the salon or business must not provide services or training in the space used by the school; and (2) staff and students of the school must not provide services or training in the space used by the salon or business.

Nothing contained in sections 155A.21 to 155A.36 ~~shall prevent~~ prevents a school from charging for student work done in the school to cover the cost of materials used and expenses incurred in and for the operation of the school. All of the student work ~~shall~~ must be prominently and conspicuously advertised and held forth as being student work and not otherwise.

Sec. 26. Minnesota Statutes 2024, section 155A.30, subdivision 11, is amended to read:

Subd. 11. **Instruction requirements.** (a) Instruction may be offered for no more than ten hours per day per student.

(b) Instruction must be given within a licensed school building except as provided in paragraphs (c) and (d). ~~Online instruction is permitted for board-approved theory-based classes.~~

(c) A school may offer online instruction for theory-based portions of training. A school must not give practice-based ~~classes must not be given~~ training online.

(d) A school may offer activities related to the training for industry educational purposes outside of a school building when accompanied by an instructor for a maximum of one percent of the total training hours for a course.

Sec. 27. Minnesota Statutes 2024, section 155A.30, subdivision 12, is amended to read:

Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying for licensure under this section ~~shall~~ must maintain recognition as an institution of postsecondary study by meeting the following conditions, in addition to Minnesota Rules, part 2110.0310:

(1) the school must admit as regular students only those individuals who have a high school diploma or a diploma based on passing commissioner of education-selected high school equivalency tests or their equivalent, or who are beyond the age of compulsory education as prescribed by section 120A.22; and

(2) the school must be licensed by name and authorized by the Office of Higher Education and the board to offer one or more training programs beyond the secondary level.

Sec. 28. Minnesota Statutes 2024, section 155A.31, is amended to read:

155A.31 INSPECTIONS.

The board is responsible for inspecting salons and schools licensed pursuant to sections 155A.21 to 155A.36 to assure compliance with the requirements of sections 155A.21 to 155A.36. The board ~~shall~~ must direct board resources first to the inspection of those licensees who fail to meet the requirements of law, have indicated that they present a greater risk to the public, or have otherwise, in the opinion of the board, demonstrated that they require a greater degree of regulatory attention.

Sec. 29. Minnesota Statutes 2024, section 155A.32, is amended to read:

155A.32 DISPLAY OF LICENSE.

Every holder of a license granted by the board ~~shall~~ must display ~~it~~ the license in a conspicuous place in the place of business.

Sec. 30. Minnesota Statutes 2024, section 155A.33, subdivision 1, is amended to read:

Subdivision 1. **Proceedings.** If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 31. Minnesota Statutes 2024, section 155A.33, subdivision 2, is amended to read:

Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the District Court of Ramsey County in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court ~~shall~~ must grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application for examination, license, registration, or renewal.

Sec. 32. Minnesota Statutes 2024, section 155A.33, subdivision 3, is amended to read:

Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if authorized by the board, may issue and have served upon an unlicensed or unregistered person, or a holder of a license or registration, an order requiring the person to cease and desist from an act or practice that constitutes

a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or complaint committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board ~~shall~~ must issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Sec. 33. Minnesota Statutes 2024, section 155A.33, subdivision 4, is amended to read:

Subd. 4. **Licensing and registration actions.** (a) With respect to a person who is a holder of or applicant for a license or registration under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or registration, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, related to the practice of a profession regulated by this chapter, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of the profession;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of a profession regulated by this chapter;

(4) employed fraud or deception in obtaining a license, registration, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a license, registration, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's license or registration;

(7) advertised by means of false or deceptive statements;

(8) performed licensed services while consuming or under the influence of an intoxicant or controlled substance;

(9) demonstrated unprofessional conduct or practice;

(10) permitted an unlicensed person under the person's supervision or control to offer or practice services regulated by this chapter for compensation;

(11) practices, offered to practice, or attempted to practice by misrepresentation;

(12) failed to display a license or permit as required by rules adopted by the board;

(13) violated the board's rules governing infection control;

(14) refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request; or

(15) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a condition of continued licensure or registration, termination of suspension, reinstatement of licensure or registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) completes to the board's satisfaction continuing education as the board requires.

~~(c) Service of an order under this subdivision is effective if the order is served in person, or is served by certified mail to the most recent address provided to the board by the licensee, registrant, applicant, or counsel of record. The order must state the reason for the entry of the order.~~

(c) The board or complaint committee, if authorized by the board, may issue an order under this subdivision. The order may include conditions under paragraph (b) and civil penalties and fees permitted under subdivision 6. The order may require a person to cease and desist from acting in violation of paragraph (a). The order must include:

(1) a summary of the facts that constitute each violation;

(2) the applicable law that has been violated;

(3) the licensing or registration action taken under paragraph (a); and

(4) a notice to the individual that unless the individual requests a hearing within 30 days of service of the order, the order becomes a final order of the board.

(d) If an order under this subdivision assesses civil penalties, the order must include a statement that, when the order becomes final, the board may file and enforce any unpaid amount of a penalty as a judgment in district court without further notice or additional proceedings.

(e) A person issued an order under this subdivision may request a hearing within 30 days of the date the order is served. If a person's written request for a hearing is not received within 30 days of the date of service of the order, the order becomes a final order and is not subject to review by any court or agency. If a person submits to the board a timely request for hearing, the order is stayed pending a final order. The request for a hearing under this paragraph must:

(1) be in writing;

(2) provide the reason for the person's request for a hearing; and

(3) be mailed or delivered to the board within 30 days of service of the order.

(f) An order under this subdivision must be personally served or sent by first-class or certified mail to the most recent address provided to the board by the licensee or applicant according to Minnesota Rules, part 1400.5550, subparts 2 and 3.

~~(d)~~ (g) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

(h) Nothing in this chapter prevents the board from resolving any violation through informal disposition under section 14.59.

Sec. 34. Minnesota Statutes 2024, section 155A.33, subdivision 5, is amended to read:

Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, registrant, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or registrant. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or registrant.

(b) An order under this subdivision may (1) prohibit the licensee or registrant from engaging in the practice of a profession regulated by the board in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision, the licensee or registrant may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at the hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to ~~the Administrative Procedure Act~~ chapter 14. Evidence presented to the board or the licensee or registrant may be in affidavit form only. The licensee, registrant, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board ~~shall~~ must issue its order and, if the order continues the suspension, ~~shall~~ must schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge ~~shall~~ must issue a report within 30 days after the closing of the contested case hearing record. The board ~~shall~~ must issue a final order within 30 days of receiving the report.

Sec. 35. Minnesota Statutes 2024, section 155A.33, subdivision 6, is amended to read:

Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of up to $2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the ~~Office~~ Court of Administrative Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expenses incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with ~~the Administrative Procedure Act~~ chapter 14.

Sec. 36. Minnesota Statutes 2024, section 155A.33, is amended by adding a subdivision to read:

Subd. 8. **Corrective action.** (a) When the board or complaint committee, if authorized by the board, determines that a complaint alleging that an applicant or a licensee violated this chapter, rules adopted under this chapter, or an order issued by the board may be appropriately resolved through corrective action, the board or complaint committee may enter into an agreement for corrective action with an applicant or a licensee.

(b) An agreement for corrective action must:

(1) be in writing;

(2) describe the facts upon which the agreement is based;

(3) describe the corrective action agreed upon by the board or complaint committee and the applicant or licensee; and

(4) state that the complaint upon which the agreement was based must be dismissed by the board or complaint committee when the board or committee finds that the applicant or licensee has successfully performed the corrective action.

(c) The board or complaint committee may determine that the applicant or licensee has successfully performed the corrective action if the applicant or licensee submits a request for dismissal that documents the applicant's or licensee's successful performance of the corrective action.

(d) An agreement under this subdivision is not disciplinary action. An agreement under this section is public data under chapter 13.

(e) The board may assess a fee on an applicant or a licensee to reimburse the board for costs related to the corrective action. The board must include a fee under this paragraph in the corrective action agreement.

(f) If an applicant or a licensee fails to successfully perform the corrective action within the time specified in the agreement, the matter may be resolved through any enforcement action authorized under this section.

Sec. 37. **REVISOR INSTRUCTION.**

The revisor of statutes must change the term "Board of Cosmetologist Examiners" to "Board of Cosmetology" wherever the term appears in Minnesota Statutes.

Sec. 38. **REPEALER.**

(a) Minnesota Statutes 2024, section 155A.275, is repealed.

(b) Laws 2017, First Special Session chapter 4, article 1, section 29, is repealed.

ARTICLE 16

STATE GOVERNMENT MISCELLANEOUS

Section 1. Minnesota Statutes 2024, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches ~~$2,852,098,000~~ $3,421,764,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

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

Sec. 2. **BRUCE ANDERSON VETERANS SERVICE BUILDING.**

The Veterans Service Building located at 20 West 12th Street in the city of St. Paul is renamed as the Bruce Anderson Veterans Service Building.

Sec. 3. **SIGNAGE COSTS.**

The commissioner of administration must pay for the cost of modifying or replacing signage as necessary to conform with section 2 using general fund appropriations available for operations under Laws 2025, chapter 39, article 1, section 11. The commissioner must not include these costs in determining lease rates for fiscal years 2028 and 2029 or otherwise pass the cost of signage on to tenants of the building in section 2.

Sec. 4. **REVISOR INSTRUCTION.**

The revisor of statutes must replace "Veterans Service Building" with "Bruce Anderson Veterans Service Building" wherever it appears in Minnesota Statutes and Minnesota Rules.

ARTICLE 17

MEDICAID FRAUD

Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state to subpoena and require the production of: (1) any records of: (i) telephone companies, cellular phone companies, and paging companies~~,~~; (ii) subscribers of private computer networks, including Internet service providers or computer bulletin board systems~~,~~; (iii) electric companies, gas companies, and water utilities~~,~~; (iv) chemical suppliers~~,~~; (v) hotels and motels~~,~~; (vi) pawn shops~~,~~; (vii) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and (viii) freight companies, self-service storage facilities, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~, and~~; (2)

wage and employment records relating to an investigation conducted under the attorney general's authority under section 256B.12; (3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies; (4) insurance records related to claim settlement relating to an investigation conducted under the attorney general's authority under section 256B.12; and (5) the banking, credit card, and financial records, including but not limited to a safe deposit, loan and account application and agreement, signature card, statement, check, transfer, account authorization, safe deposit access record, and documentation of fraud, that belong to the subject of an investigation conducted pursuant to the attorney general's authority under section 256B.12, whether the record is held in the investigation subject's name or in another person's name.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the county agency in all matters pertaining hereto. To prosecute under this chapter or sections ~~609.466~~ 609.467; 609.52, subdivision 2; and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 3. **[609.467] MEDICAL ASSISTANCE FRAUD.**

Subdivision 1. **Medical assistance fraud prohibited.** A person who does any of the following is guilty of medical assistance fraud and may be sentenced as provided in subdivision 2:

(1) acting with intent to defraud, executes or participates in, or attempts or conspires to execute or participate in, a scheme or artifice to obtain, by means of any false or fraudulent pretenses, representations, or promises, or concealment of any material fact, any money or credits relating to the payment of medical assistance funds under chapter 256B;

(2) acting with intent to defraud, presents, submits, tenders, offers, or participates in, or attempts or conspires to execute or participate in, the preparation of a claim for payment, claim for reimbursement, cost report, or rate application, knowing or having reason to know that any part of the claim, report, or application is ineligible for payment or reimbursement;

(3) acting with intent to defraud, knowingly provides false information or intentionally omits material information as part of any enrollment application, provider agreement, or ownership and management disclosure required by any state or federal law as a medical assistance provider under chapter 245A or 256B;

(4) owns, operates, manages, or exercises control over any entity receiving medical assistance funds, while knowing or having reason to know that the person has been suspended or prohibited from enrolling as a medical assistance provider by any state agency or under any state law, or is

excluded or prohibited from enrolling as a medical assistance provider by any federal agency or under any federal law;

(5) knowingly and intentionally permits another person to own, operate, manage, or exercise control over any entity receiving medical assistance funds, while knowing or having reason to know the other person is suspended or prohibited from enrolling as a medical assistance provider by any state agency or under any state law, or excluded or prohibited from enrolling as a medical assistance provider by any federal agency or under any federal law;

(6) falsely makes or alters any record relating to the delivery of medical assistance services, so that it purports to have been made by another or by the maker or alterer under an assumed or fictitious name, or at another time, or with different provisions, or by the authority of one who did not give such authority;

(7) acting with intent to defraud, presents, submits, tenders, offers, or participates in, or attempts or conspires to execute or participate in, the preparation of a claim for reimbursement for personal care assistant services, community first services and supports, or other services under chapter 256B, knowing or having reason to know that qualified professional supervision or other supervision required by state or federal law was not provided according to law; or

(8) after receiving a lawful request for records by any state agency or law enforcement agency, intentionally destroys, or attempts or conspires to destroy, medical, health care, and financial records required to be maintained under chapter 245A or 256B or rules adopted pursuant to chapter 245A or 256B.

Subd. 2. **Penalties.** (a) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

(b) A person who is convicted under subdivision 1 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 causes a loss to any victim or victims in an aggregate amount of more than $10,000, but not more than $100,000.

(c) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $100,000, or both, if the violation causes a loss to any victim or victims in an aggregate amount of more than $100,000, but not more than $1,000,000.

(d) A person who is convicted under subdivision 1 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than $1,000,000, or both, if the violation causes a loss to any victim or victims in an aggregate amount of more than $1,000,000.

Subd. 3. **Failure to keep or maintain medical assistance records.** A person who submits a claim for reimbursement, claim for payment, claim for reimbursement cost report, or rate application and knowingly and intentionally fails to maintain medical, health care, and financial records as required under chapter 245A or 256B or rules adopted pursuant to chapter 245A or 256B is guilty of a gross misdemeanor.

Subd. 4. **Continuing offense.** For purposes of calculating the statute of limitations identified in section 628.26, any violation of subdivision 1 or 3 is a continuing offense. Any violation of subdivision 1 or 3 extends to any act committed during the course of the scheme, conspiracy, or conduct and is within the statute of limitations identified in section 628.26 so long as any part of the continuing scheme, conspiracy, or conduct comprising a violation occurred within the identified statute of limitations.

Subd. 5. **Venue.** Notwithstanding anything to the contrary in section 627.01, a violation of this section may be prosecuted in:

(1) the county where any part of the offense occurred; or

(2) the county where the entity who received a claim for payment, claim for reimbursement, cost report, or rate application is located.

Subd. 6. **Restitution.** The court may order a person convicted of violating this section to pay restitution for any costs, expenses, or losses resulting from the crime and for costs, expenses, or losses resulting from similar conduct that was related to the offense but was not charged. The court may order restitution for similar conduct that was related to the offense if the related conduct occurred within the applicable statute of limitations and the prosecutor provides notice of intent to seek restitution for that conduct at least five business days before the sentencing hearing. The offender may challenge restitution as provided in section 611A.045, subdivision 3. A dispute as to whether restitution is for similar conduct that was related to the offense must be resolved by the court by the preponderance of the evidence. The burden of demonstrating that the court may order restitution for any costs, expense, or loss described in this subdivision is on the prosecution.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2024, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

~~(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or~~

~~(iv)~~ (iii) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

~~(v)~~ (iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least $100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in clauses (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(A) made or was aware of the connection; and

(B) was aware that the connection was unauthorized;

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally, and without claim of right, takes motor fuel from a retailer without the retailer's consent and with intent to deprive the retailer permanently of possession of the fuel by driving a motor vehicle from the premises of the retailer without having paid for the fuel dispensed into the vehicle; or

(19) commits wage theft under subdivision 1, clause (13).

(b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove the vehicle from the premises of the retailer without having paid for the fuel permits the factfinder to infer that the driver acted intentionally and without claim of right, and that the driver intended to deprive the retailer permanently of possession of the fuel. This paragraph does not apply if: (1) payment has been made to the retailer within 30 days of the receipt of notice of nonpayment under section 604.15; or (2) a written notice as described in section 604.15, subdivision 4, disputing the

retailer's claim, has been sent. This paragraph does not apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been reported stolen before the theft of the fuel.

EFFECTIVE DATE. This section is effective August 1, 2026, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2025 Supplement, section 609.902, subdivision 4, is amended to read:

Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343; 609.344; 609.345; 609.42; 609.467; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a), clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528, if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, ~~or~~ a fraternal benefit society regulated under chapter 64B, or any state agency.

Sec. 6. 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~~ 609.467 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) 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) 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) 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) 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.

Sec. 7. **REPEALER.**

Minnesota Statutes 2024, section 609.466, is repealed.

ARTICLE 18

CAMPAIGN FINANCE

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 or less before the primary and reports due ten days or less before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000 that are not required by subdivision 5 or 5a or section 10A.202, 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 or less before the primary and reports due ten days or less before the general election on which the total contributions or total disbursements that should have been newly reported exceed $100,000 that are not required by subdivision 5 or 5a or section 10A.202, 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 article is effective August 12, 2026, and applies to reports and statements due on or after that date.

ARTICLE 19

CLEMENCY PROVISIONS

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. This is a onetime appropriation.

ARTICLE 20

PUBLIC SAFETY

Section 1. **MINNESOTA VICTIMS OF CRIME ACCOUNT; TRANSFER.**

$1,000,000 in fiscal year 2027 is transferred from the general fund to the Minnesota victims of crime account in the special revenue fund established under Minnesota Statutes, section 299A.708. This is a onetime transfer.

ARTICLE 21

PEACE OFFICER COMPENSATION

Section 1. 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 any 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~~ includes if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer ~~shall be~~ is 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~~ includes that the officer 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 that the officer died 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.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies retroactively from February 1, 2020.

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. **[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. 7. Minnesota Statutes 2024, section 299D.03, subdivision 2, is amended to read:

Subd. 2. **Salary and reimbursement.** (a) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, lieutenants, corporals, and sergeants hereinafter designated shall be known as patrol troopers.

(b) There may be appointed one lieutenant colonel; and such majors, captains, lieutenants, corporals, sergeants, and troopers as the commissioner deems necessary to carry out the duties and functions of the State Patrol. Persons in above-named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, lieutenants, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors.

(c) The salary rates for all State Patrol troopers, corporals, and sergeants shall be deemed to include $6 per day reimbursement for shift differential, meal and business expenses incurred by State Patrol troopers, corporals, and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars, and maintenance of home office.

Sec. 8. Minnesota Statutes 2024, section 299D.03, subdivision 2a, is amended to read:

Subd. 2a. **Salary ~~and benefits~~ survey.** (a) By January 1 of 2021, 2024, 2027, and ~~2030~~ every odd-numbered year thereafter, the legislative auditor must conduct a compensation ~~and benefit~~ survey of law enforcement officers in every police department:

(1) in a city with a population in excess of 25,000, located in a metropolitan county, as defined in section 473.121, subdivision 4, that is represented by a union certified by the Bureau of Mediation Services; or

(2) in a city of the first class.

The State Patrol must also be included in the survey.

(b) The legislative auditor must base the survey on compensation ~~and benefits~~ for the past completed calendar year. The survey must be based on full-time equivalent employees. The legislative auditor must calculate compensation using base salary, overtime wages, and premium pay. Premium pay is payment that is received by a majority of employees and includes but is not limited to education pay and longevity pay. The legislative auditor must not include any payments made to officers or troopers for work performed for an entity other than the agency that employs the officer or trooper, regardless of who makes the payment. ~~The legislative auditor must also include in the survey all benefits, including insurance, retirement, and pension benefits. The legislative auditor must include contributions from both the employee and employer when determining benefits.~~

(c) The legislative auditor must compile the survey results into a report. The report must show each department separately. For each department, the survey must include~~:~~

~~(1)~~ an explanation of the salary structure, and include minimum and maximum salaries for each range or step~~; and~~.

~~(2) an explanation of benefits offered, including the options that are offered and the employee and employer contribution for each option.~~

~~Wherever possible, the report must be designed so that the data for each department is in the same table or grid format to facilitate easy comparison.~~

(d) By January 15 of 2021, 2024, 2027, and ~~2030~~ every odd-numbered year thereafter, the legislative auditor must transmit the survey report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the State Patrol budget.

(e) It is the legislature's intent to use the information in this study to compare salaries between the identified police departments and the State Patrol and to make appropriate increases to patrol trooper, captain, and lieutenant salaries. Nothing in this subdivision precludes the collective bargaining of salaries or compensation in excess of salaries or compensation supported by the salary survey. Salary adjustments for supervisory ranks, including corporals, sergeants, lieutenants, and captains, must be proportionate to the salary adjustments made for patrol troopers resulting from the survey. This subdivision does not expand the scope of the salary survey beyond patrol troopers. For purposes of this paragraph, "patrol troopers" has the meaning given in subdivision 2, paragraph (a).

Sec. 9. **[299D.14] VOLUNTEER CHAPLAINS.**

Subdivision 1. **Volunteers permitted.** The commissioner or the chief supervisor of the State Patrol may recruit, train, and accept, without regard to personnel laws or rules, the services of individuals without compensation as volunteer chaplains to support members of the State Patrol in their roles and responsibilities under this chapter.

Subd. 2. **Incidental expenses.** The chief supervisor may provide for the incidental expenses of a volunteer chaplain, including transportation, lodging, and subsistence.

Subd. 3. **Application of law.** Except as otherwise provided in this section, a volunteer chaplain is not a state employee and is not subject to the provisions of law relating to state employment,

including but not limited to those governing hours of work, rates of compensation, leave, unemployment benefits, and state employee benefits.

Sec. 10. Laws 2024, chapter 104, article 1, section 2, the effective date, is amended to read:

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment ~~and expires January 1, 2032~~. This section applies to contracts entered into on or after the effective date ~~but before January 1, 2032~~.

Sec. 11. **PUBLIC SAFETY OFFICER DEATH BENEFIT RETROACTIVE CLAIMS.**

(a) Notwithstanding Minnesota Statutes, section 299A.47, claims for benefits arising out of deaths occurring before July 1, 2026, that are eligible due to the retroactive changes made in this act are timely if filed before July 1, 2028. Claims for benefits arising out of deaths that occur on or after July 1, 2026, are subject to the limitation period under Minnesota Statutes, section 299A.47.

(b) Notwithstanding Minnesota Statutes, section 299A.47, the commissioner of public safety must:

(1) review previously denied benefit claims for deaths occurring between February 1, 2020, and the effective date of this act;

(2) determine whether the applicant is eligible for benefits based on the retroactive application of the amendments made in this act; and

(3) award applicable benefits according to Minnesota Statutes, sections 299A.41 to 299A.46.

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

ARTICLE 22

CONSUMER PROTECTION RESTITUTION ACCOUNT

Section 1. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 3, is amended to read:

Subd. 3. **Money deposited in the account.** ~~50~~ Fifty percent of all money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose up to the first ~~$5,000,000~~ $10,000,000 each fiscal year must be deposited into the account. The remaining 50 percent of money recovered by the attorney general in a consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose must be deposited into the general fund. For purposes of this subdivision, the amount of money recovered in a consumer enforcement action that must be deposited into the fund is determined at the time when the money otherwise would have been deposited into the general fund.

Sec. 2. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 5, is amended to read:

Subd. 5. **Distributions to eligible consumers.** (a) Money in the account may be distributed to any eligible consumer with an identified amount of unpaid consumer enforcement public compensation. ~~If the amount of money in the account is insufficient to pay all distributions to eligible~~

~~consumers with an identified amount of unpaid consumer enforcement public compensation, the~~ Money must be distributed first to consumers eligible for unpaid consumer enforcement public compensation based on a consumer enforcement action with a final order of the oldest date.

~~(b) If the attorney general projects that there will be insufficient funding to pay all eligible consumers from the funds available on an ongoing basis, the attorney general may recommend to the legislature that the legislature prescribe a formula for prorating or capping payments to eligible consumers so that more eligible consumers will receive payment from the fund.~~

(b) If money is distributed to an eligible consumer, the distribution is limited to:

(1) the full identified amount of unpaid consumer enforcement public compensation, up to $50,000; and

(2) 50 percent of the identified amount of unpaid consumer enforcement public compensation over $50,000, or $50,000, whichever is less.

ARTICLE 23

DATA PRACTICES

Section 1. **[13.205] TOWNS; PHYSICIAN REQUESTS.**

Notwithstanding section 13.02, subdivision 11, a town is subject to this chapter for purposes of this section. A town must provide data of any classification requested by a physician licensed under chapter 147 for the purposes of treating a patient."

Delete the title and insert:

"A bill for an act relating to state government finance; appropriating and transferring money for prekindergarten through grade 12 education, higher education, agriculture, state government, environment and natural resources, energy, renewable development, jobs and economic development, labor, public safety, and corrections; making policy and technical changes related to those appropriations; deleting land from a state park; authorizing the sale of certain state lands; modifying provisions relating to peace officer compensation; renaming a state building; establishing a battery stewardship program; modifying the Board of Barber Examiners and Board of Cosmetologist Examiners; modifying Medicaid fraud, campaign finance, clemency provisions, the data practices act, and consumer protection restitution account; authorizing administrative rulemaking; imposing penalties; requiring reports; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 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; 16A.152, subdivision 2; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18K.02, subdivisions 5, 6; 18K.04, subdivision 1; 21.111; 21.112, by adding a subdivision; 21.113; 21.115; 21.117; 21.119; 21.1195; 21.891, subdivision 2; 28A.0752; 29.21, by adding a subdivision; 29.26; 32D.30, subdivision 5; 41A.19; 115A.03, by adding subdivisions; 115A.554; 115A.9157; 115C.08, subdivision 4; 115C.09, by adding a subdivision;

116.92, subdivision 6, by adding a subdivision; 122A.20, subdivisions 1, 2; 124D.98, by adding a subdivision; 126C.10, subdivision 14; 136A.64, subdivision 1; 136A.675, by adding a subdivision; 136A.822, subdivision 9; 136A.823, subdivision 1; 154.001, subdivision 2; 154.003; 154.01; 154.02, subdivisions 1, 4, by adding subdivisions; 154.05; 154.07, subdivision 1, by adding a subdivision; 154.08; 154.09; 154.11, subdivision 1, by adding a subdivision; 155A.20; 155A.23, subdivisions 4, 5, 8, 9, 10, 18, by adding a subdivision; 155A.25, subdivisions 1a, 3, 5, 7; 155A.27, subdivisions 5a, 10, by adding subdivisions; 155A.271, subdivision 2; 155A.29, subdivision 2; 155A.30, subdivisions 3, 4, 5, 6, 7, 8, 9, 11, 12; 155A.31; 155A.32; 155A.33, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 177.27, subdivision 4; 181.03, subdivision 6; 260E.15; 260E.28, subdivision 1; 299A.41, subdivisions 3, 4, by adding subdivisions; 299D.03, subdivisions 2, 2a; 325E.125, subdivision 5; 325E.1251, subdivision 2; 471.6161, by adding a subdivision; 583.215; 609.352, subdivisions 1, 4, by adding subdivisions; 609.52, subdivision 2; 638.09, by adding a subdivision; 638.12, subdivision 2; 638.14, subdivision 5; 638.16, subdivision 1; Minnesota Statutes 2025 Supplement, sections 8.37, subdivisions 3, 5; 17.1017, subdivision 9; 17.133, subdivisions 1, 2; 28A.04, subdivision 1; 28A.08, subdivision 3; 126C.10, subdivision 3; 126C.15, subdivision 2; 136A.69, subdivision 1; 136A.821, subdivision 5; 136A.824, subdivisions 1, 2; 136A.833, subdivision 2; 216B.16, subdivision 15; 256B.12; 260E.065, by adding a subdivision; 260E.20, subdivision 1; 609.902, subdivision 4; 628.26; Laws 2023, chapter 40, article 4, section 2, subdivision 6, as amended; Laws 2023, chapter 43, article 1, section 2, subdivision 5, as amended; Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended; Laws 2023, chapter 70, article 20, section 12, as amended; Laws 2024, chapter 90, article 1, section 52; Laws 2024, chapter 104, article 1, section 2; Laws 2025, chapter 34, article 1, section 2, subdivisions 2, 3, as amended, 4, as amended; Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5; article 12, section 8; proposing coding for new law in Minnesota Statutes, chapters 13; 21; 115A; 181; 216B; 216C; 299A; 299D; 609; repealing Minnesota Statutes 2024, sections 18K.02, subdivision 7; 18K.03, subdivision 2; 28A.075; 115A.9155; 115A.961, subdivisions 1, 2, 3; 136A.657; 136A.834, subdivisions 2, 3, 4; 155A.275; 325E.125, subdivisions 1, 2, 2a, 3, 4; 325E.1251, subdivision 1; 609.466; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5; Laws 2017, First Special Session chapter 4, article 1, section 29; Minnesota Rules, parts 2100.2500; 2100.2600; 2100.2900; 2100.3000; 2100.3200; 2100.3300; 2100.4500; 2100.5200, subparts 1, 2, 5; 2100.5300; 2100.6000."

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

SECOND READING OF SENATE BILLS

S.F. No. 4059 was read the second time.

MEMBERS EXCUSED

Senator Westrom was excused from the Session of today from 11:00 to 11:25 a.m.

ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 11:00 a.m., Tuesday, May 5, 2026. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate